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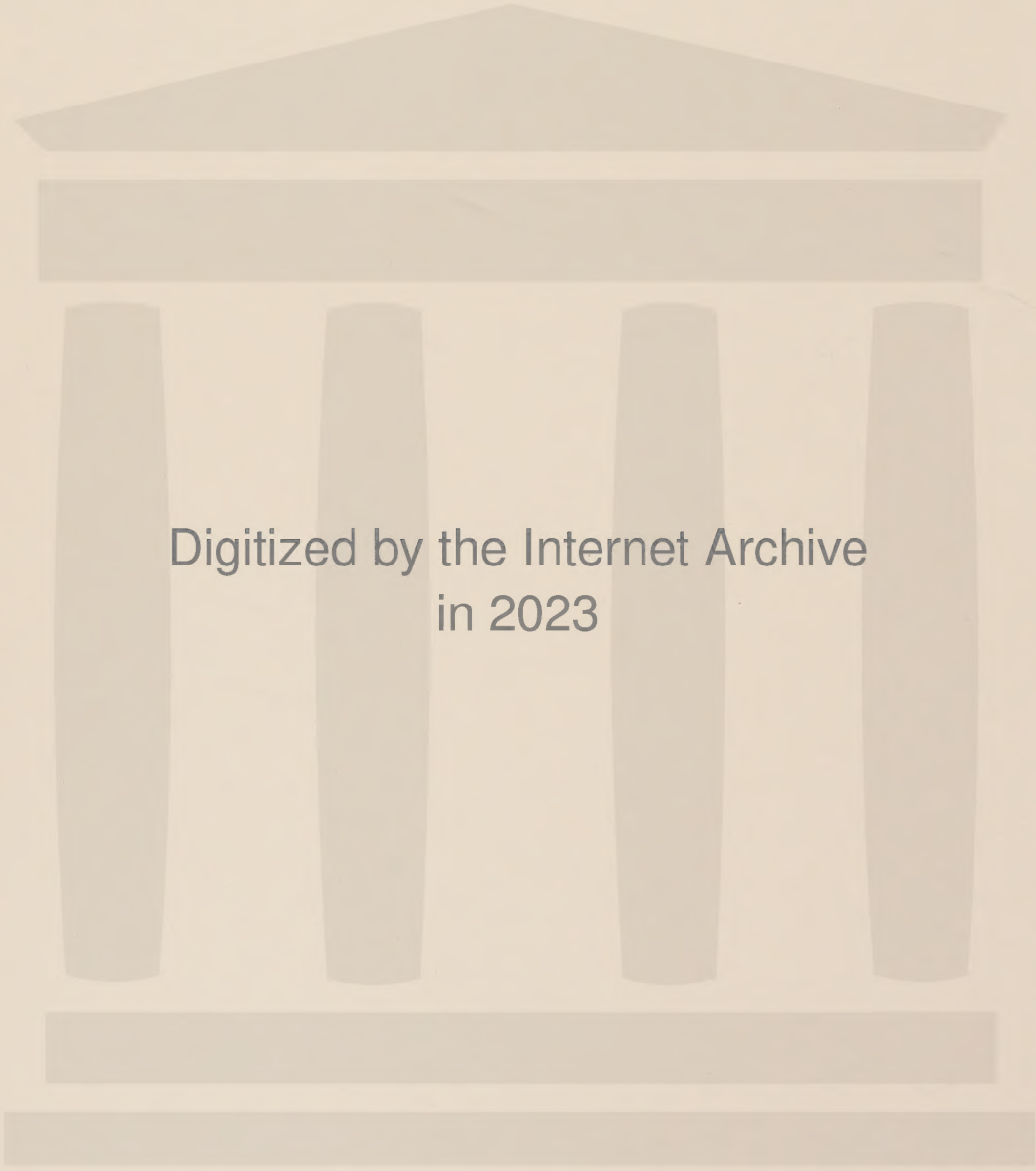
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LEAGUE OF NATIONS

MEMORANDUM

ON

CURRENCY

AND

CENTRAL BANKS

1913-1924

VOLUME I.

GENEVA 1925

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PREFATORY NOTE.

A statement was made in the Introduction to the *Memorandum on Central Banks* published last year that it was proposed in future to combine this work with the *Memorandum on Currency*. This has now been done, and the present volumes bring together the essential data which were previously contained in two separate publications. At the same time certain changes have been made in the form of presentation.

Volume I contains, in addition to the Introduction, all the synoptic tables previously given in the *Memorandum on Currency* and a new statement showing the foreign assets held by the Central Banks of the various States. In these tables, which are bilingual, the countries are arranged in French alphabetical order under the following continental groups: Europe, Asia, Australasia, Africa, North America, and Central and South America. This is the same order as has been adopted in the *Memorandum on Balance of Payments and Foreign Trade Balances.*

Volume II contains the summarised balance-sheets of all the Central Banks and explicative and historical notes concerning the position of these Banks, the currency reforms and the statistics published in Volume I on note circulation, gold reserves, deposits, prices, etc. The notes published last year with reference to wholesale price indices have been abbreviated, and the reader who requires further details about the manner in which these indices are compiled should refer to the *Memorandum on Currency*, 1913-1923. The new and briefer notes, however, contain one point of interest and importance not previously dealt with : namely, a statement for each index of the relative importance of each group, in addition to the number of price relatives or price quotations in each group of commodities.

INTRODUCTION.

GENERAL.

On April 28th, 1925, the British Chancellor of the Exchequer stated in his budget speech that a general licence would be given from that day to the Bank of England for the export of gold and bullion, and that Australia, New Zealand and South Africa would adopt a similar procedure.

On the same day the Dutch Minister of Finance stated that exemption would be granted from the prohibition to export gold and gold coin under specified conditions.

The statistics in the general tables which follow stop at the end of 1924; but together with the supplementary data contained in the historical notes in Volume II and in this Introduction they give a sufficiently complete picture of the course of the events which have led up to this restoration of the gold standard.

During the course of 1924 Sweden set the first example of permitting the free export of gold, and Germany and Poland both introduced currency reforms under which their new currencies have been maintained at parity with gold. The restoration of the gold standard in England automatically places the currencies of Hungary and Danzig, which have been stabilised on the pound, likewise on a gold basis. Colombia, Salvador, Austria, Latvia, Lithuania and Russia had all introduced monetary reforms before 1924 under which their currencies have been linked to gold, while Guatemala adopted a similar procedure at the end of that year. To these should be added Canada and Switzerland, which, without allowing the free export of gold, now effectively maintain their exchanges at par, Nicaragua, which is in practice on a gold exchange standard, Venezuela, where gold is in circulation, Albania, the Dominican Republic, Cuba, Haiti, Liberia, Mexico and Panama, where either gold or United States paper currency is utilised.

By the middle of 1925, therefore, there were in all some thirty countries whose currencies were legally or *de facto* based on gold.

I. PRICES.

It is necessarily a question for arbitrary decision whether in a general survey of the currency situation of the world the movements of prices, circulation or the exchanges be displayed first. For the sake of continuity, however, the various sections of this Introduction are given, in so far as the interpolation of additional data concerning the position of the Central Banks permits, in the same order as last year. In the following Table A, therefore, are shown the quarterly wholesale price movements since March 1921, the year 1913 or the nearest available date being taken as equal to 100.

TABLE A

SHOWING QUARTERLY MOVEMENTS OF WHOLESALE PRICES 1921-1924.

(1913 = 100) **

Country	1921				1922				1923				1924			
	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
South Africa [1] [2]	166	150	138	131	128	126	129	131	126	124	125	131	126	125	133	130
Egypt [2]	171	161	169	160	153	139	138	147	136	128	123	137	136	131	148	156
United States [2]	155	142	141	140	142	150	153	156	159	153	154	151	150	145	149	157
China [3]	151	152	154	149	152	144	140	149	159	155	157	158	158	152	149	157
Netherlands [2]	189	180	181	167	164	165	152	155	156	149	145	154	155	151	158	160
Canada [2]	186	165	162	151	154	153	147	153	156	156	155	151	154	152	154	161
Sweden [2]	248	222	201	188	177	174	170	163	168	164	162	160	162	158	163	168
United Kingd. [2]	211	198	187	168	160	160	154	156	160	159	158	163	165	163	167	170
Switzerland [4]	211	179	185	177	165	164	165	175	186	180	181	183	181	173	169	171
Australia [2]	190	170	168	155	153	163	165	168	171	187	180	182	175	171	170	173
British India [5]	175	178	187	180	182	183	176	176	181	175	174	179	179	176	179	176
D. E. Indies [2]													180	178	177	179
New Zealand [6]	208	200	197	189	180	175	175	173	174	177	177	174	180	180	181	181
Peru [6]	210	202	205	190	190	191	190	191	188	191	186	192	194	192	190	195
Spain [6]	193	186	183	183	180	178	174	172	171	170	174	176	180	179	184	198
Japan [2]	191	192	207	209	201	197	193	183	196	198	210	211	206	200	206	213
Denmark [4]	270	253	202	178	178	180	176	181	200	207	205	210	228	220	234	234
Norway [7]	312	294	287	269	240	230	225	220	227	232	232	247	264	262	272	279
France [5]	360	325	344	326	307	325	329	362	424	409	424	459	499	465	486	507
Belgium [8]	—	—	368	369	350	356	364	407	482	484	514	545	625	565	550	566
Italy [5]	604	509	580	595	533	537	582	580	587	569	569	577	579	566	580	640
Czechoslovakia [4]	—	—	—	1,653	1,464	1,433	1,043	991	1,012	949	960	974	1,008	953	999	1,045
Finland [2] [9]	1,203	1,247	1,364	1,295	1,244	1,229	1,224	1,149	1,108	1,095	1,089	1,096	1,094	1,088	1,117	1,139
S. H. S.	—	—	—	—	—	—	—	—	—	—	—	—	2,040	1,984	1,978	2,112
Austria [6]	—	—	—	—	136*	318*	1,771*	1,614*	1,852*	1,834*	1,779*	1,818*	1,912*	1,828*	1,937*	2,075*
Hungary [2]	—	—	—	—	—	—	—	—	—	—	—	792*	2,077*	2,208*	2,237*	2,347*
Poland [5]	—	—	60,203	57,046	73,729	87,694	152*	346*	989*	1,881*	7,302*	142,301*	245,278*	[10] 101	[10] 112	[10] 118
Germany [2]	1,338	1,366	2,067	3,487	5,433	7,030	28,698	147*	489*	1,939*	2,395†	126,156†	[10] 121	[10] 116	[10] 127	[10] 131
Russia [4]	—	—	—	—	—	—	618†	1,579†	3,179†	9,796†	54,901†	378,100†	[10] 181	[10] 169	[10] 164	[10] 172

** In some cases other near base periods, such as July 1914, etc., are taken. All the indices are calculated by means of an arithmetic average except those for Egypt, U. K., Belgium, Finland, Poland and Russia, for which geometric averages are used. For the description of the methods used in the computation of the various indices, see notes to Table VIII, Vol. II.

* 000's omitted. † 000,000's omitted. § 000,000,000's omitted.

[1] April, July, October, January. [2] Monthly averages. [3] Last Wednesday in month. [4] First of following month. [5] End of month. [6] 15th of month. [7] The figures for 1921 to 1923 are those of the *Ökonomisk Revue* and refer to the end of month; for 1924 official index number, 15th of month. [8] Average of second half of month. [9] Figure for each month based on the figure for the corresponding month of 1913. [10] Gold prices.

The countries have been placed in the order of the magnitude of the figures at the end of 1924. The exact order depends, in certain cases, upon the methods adopted in the compilation of the various indices. Since the level of prices was, no doubt, not the same in all countries in 1913 and, moreover, the base periods are not exactly the same[1], the statistics do not,

[1] In certain cases the conversion of an index on to a new base without recalculating it indirectly from the original quotations yields results which are different from those which would have been obtained by recalculating the index on the new base from the original quotations. Reference should therefore be made to the notes to Table VIII (Vol. II) where the original base period and the form of average employed are indicated.

and no statistics can, measure the exact differences which existed between the purchasing power of the various currencies at the dates referred to in the tables. But although the table, which gives the changes in the movements of prices, can only indicate quite roughly the approximate discrepancies in their levels, those discrepancies are of particular interest.

The first fact illustrated by the table to which attention should be drawn is that in 1924 after the first quarter there was no country in which violent price movements comparable with those of 1923 or 1922 were taking place. The second is the general tendency of prices almost throughout the world to rise, more especially in the last quarter of this year. Only in Switzerland and Australia were the indices materially lower at the end of 1924 than at the end of 1923. The character of the rise in prices — the causes which have contributed thereto — have, however, differed materially from country to country. Thus in Germany and Poland, where the indices during 1924 or the last three quarters thereof are in terms of their reformed currencies, an increase in prices towards the world level from the low levels ruling immediately after stabilisation was inevitable. In France and Belgium and to a lesser extent Italy, prices tended, during the first part of the year 1924 in any case, to move with the exchanges. In the majority of countries in which the exchanges were stable or moved within narrow limits, the main cause of the marked rise in the final quarter of 1924 was the generally poor harvest.

Before analysing these various causes in further detail, it may be well to complete the evidence by adding the retail price indices of those countries for which no suitable wholesale indices are available.

TABLE B

SHOWING QUARTERLY MOVEMENTS OF RETAIL PRICES 1921-1924.

Country	Base = 100	1921				1922				1923				1924			
		III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Danzig . .	1913-14	1,123	1,119	1,162	1,888	2,389	3,744	13,291	74,789	332,511	923,783	—	—	—	—	—	—
	1913-14[1]	—	—	—	—	—	—	—	—	—	—	[2] 89	[3] 93	120	126	125	134
Lithuania . .	1913	—	—	—	—	—	—	[2] 93	106	—	109	108	117	—	134	139	154
Chile	1914	—	—	—	—	—	—	—	—	162	166	165	161	167	169	181	178
Greece	1914	—	—	—	[3] 469	—	[4] 616	[5] 994	1,035	1,331	1,083	1,194	1,263	1,359	1,240	1,330	1,437
Bulgaria . . .	1914	—	—	—	—	2,171	2,222	2,331	2,421	2,535	2,366	2,142	2,398	2,519	2,639	2,697	3,010
Roumania . .	1914	—	1,168	—	—	1,624	1,604	1,685	2,017	2,347	2,420	2,421	2,586	2,700	2,640	2,900	3,080

[1] Basic figures expressed in gulden. [2] October. [3] January. [4] July. [5] October-November.

The above figures are not comparable with those given in Table A, and the indices of the different countries are likewise not strictly comparable. For Latvia and Esthonia no employable price indices based on a pre-war exact period exist. The movement of the foodstuffs price indices for these two countries since 1921 has been as follows:

End of	LATVIA Base: I. 1921	ESTHONIA Base: 1922
1921 III	—	134
VI	174	124
IX	—	117
XII	144	102
1922 III	—	93
VI	123	98
IX	—	103
XII	123	107
1923 III	125	121
VI	127	117
IX	129	119
XII	136	123
1924 III	146	134
VI	148	130
IX	154	142
XII	158	140

During the last quarter of 1924, for the reasons just mentioned, the foodstuffs indices

TABLE C

SHOWING RISE OF WHOLESALE PRICE INDICES FROM THEIR MINIMA.

	Italy Bachi	United States Bureau of Lab. Stat.	France Official	Australia	Switzerland	Canada Official	United Kingd. Board of Trade	China	Denmark Finanstidende	Japan Bank of Japan	Spain	New Zealand	Peru	Norway Official	Czechoslovakia Official	British India Calcutta	South Africa	Netherlands	Egypt Cairo	Finland	Sweden Official
1921																					
VI	100																				
VII	103																				
VIII	107																				
IX	114																				
X	118																				
XI	117																				
XII	117																				
1922																					
I	114	100																			
II	111	102	100																		
III	105	103	100	100																	
IV	104	104	102	101	100																
V	103	107	103	106	100																
VI	106	109	106	106	101																
VII	110	112	106	107	102																
VIII	113	112	108	106	102																
IX	115	111	107	108	102	100	100	100	100												
X	118	112	110	109	105	101	101	101	102												
XI	118	113	115	111	106	103	102	103	103												
XII	114	113	118	110	108	104	101	106	103	100											
1923																					
I	113	113	126	111	108	103	102	109	109	101	100	100	100								
II	115	114	138	110	112	104	102	113	113	105	100	101	103	100							
III	116	**115**	138	111	**115**	106	104	**114**	114	107	101	102	102	102							
IV	116	**115**	135	113	**115**	106	105	113	116	107	102	102	103	103							
V	114	113	133	116	112	105	104	113	115	109	101	103	104	105							
VI	112	111	133	122	111	105	103	111	118	108	100	104	103	105							
VII	112	109	133	**123**	108	104	101	111	118	105	100	103	104	104	100	100	100				
VIII	112	109	134	120	107	104	100	110	115	104	101	103	102	105	100	101		100	100		
IX	112	112	138	117	112	105	102	112	116	115	102	104	101	106	102	102		102	103		
X	111	111	137	117	112	104	102	112	118	116	101	103	102	106	101	102	101	104	108		
XI	113	110	144	118	113	104	104	113	119	115	102	102	103	109	103	104		108	112	100	
XII	114	109	150	119	113	104	106	113	119	115	104	102	104	111	103	105		108	114	102	
1924																					
I	113	109	161	119	113	106	107	112	127	115	105	103	103	113	106	101	106	110	111	100	
II	113	110	**177**	117	111	106	108	**114**	129	114	106	**106**	102	118	108	105		111	113	101	
III	114	109	163	114	112	105	107	113	130	113	106	**106**	105	119	107	105		109	113	102	
IV	114	107	147	113	111	103	107	110	128	113	108	105	**106**	118	106	102	102	108	112	102	
V	112	107	150	113	110	102	106	111	124	112	105	105	104	118	103	104		108	113	102	
VI	112	105	152	112	107	103	105	109	125	109	105	105	104	118	101	104		106	109	102	
VII	112	107	157	111	105	104	105	109	132	107	107	**106**	104	119	105	105	101	106	110	101	100
VIII	113	109	156	110	105	106	107	107	131	109	107	**106**	105	122	104	**106**		106	119	104	102
IX	114	108	158	111	104	104	108	107	**133**	113	108	**106**	103	123	106	105		111	123	104	104
X	119	110	162	111	104	107	**110**	109	131	**117**	109	105	104	123	108	**106**	**107**	**113**	130	104	106
XI	122	111	164	111	105	107	**110**	111	132	**117**	106	**106**	104	124	109	**106**		**113**	**132**	105	106
XII	**126**	114	165	113	105	**109**	**110**	113	**133**	**117**	**116**	**106**	**106**	**126**	**111**	104	105*	**113**	130	**106**	**107**

* January 1925.

generally rose much more rapidly than those of other groups of commodities. The different indices require therefore to be interpreted with great care and more especially as here, again, the causes of the rise in prices which each country shows are different.

Danzig may be classed with Germany and Poland as a country in which prices after stabilisation were distinctly below the world level towards which they have gradually risen.

It is more doubtful whether the level of prices in Latvia was below the world level during the year 1924. The exchange, it is true, was maintained at parity, but there was a considerable reduction of the net reserves of foreign assets. In Greece and Roumania, and in Bulgaria since February 1924, although there has been no legal currency reform, the exchanges did not depreciate during the course of the year and the rise in prices may be considered as in part complementary to the rise in gold prices, in part the necessary adjustment of internal to external purchasing power.

In the last two *Memoranda on Currency* a table has been given in the Introduction showing the fall in prices in each country from the maxima reached in the great majority of cases during the year 1920. Conditions have now changed and interest reverts to the rise in prices. In Table C (see preceding page), therefore, the extent to which prices have risen from the minima reached since 1920 is shown.

In order to make the record of events complete, however, it may be well to recapitulate in a summarised form the earlier movements.

Country	Date of maximum prices	Date of minimum reached since	Minima as %'s of maxima
British India	I/20	VII/23	78
Egypt	II/20	VIII/23	32
Japan	III/20	XII/22	57
France	IV/20	II/22	52
Peru	IV/20	I/23	74
U.S.A.	**V/20**	**I/22**	**56**
Canada	V/20	IX/22	57
United Kingdom . .	V/20	IX/22	47
Sweden	VI/20	VII/24	42
Netherlands	VII/20	VIII/23	46
South Africa	VII/20	VII/23	53
Australia	VIII/20	I/22	62
Norway	IX/20	X/22	52
Denmark	X/20	XII/21	44
New Zealand	X/20	I/23	77
Spain	X/20	I/23	74
Italy	XI/20	V/21	76
Finland	XI/20	XI/23	75
Czechoslovakia . . .	XII/21	VII/23	57

The countries have been placed in the chronological order of the months in which the maxima were reached.

Switzerland is excluded from the foregoing list as its index number only goes back to December 1920 and there is reason to believe that the maximum was reached at an earlier date. It will be seen that, in eight out of the nineteen countries given, prices fell to a greater extent than they did in the United States of America. These eight countries are Egypt, France, the United Kingdom, Sweden, the Netherlands, South Africa, Norway and Denmark.

Comparison between price levels can at the best only be ventured upon with large margins for error; but only in the case of South Africa would it appear at all conceivable that the rise of prices above the pre-war level at the moment when gold prices were at their post-war minimum was less than that of gold prices, and even in this case it is extremely doubtful.

It is important, therefore, in connection with the recent wide restoration of the gold standard, to consider the extent to which the prices in various countries by the end of 1921 had risen from their minima less than dollar prices had risen. This is shown in Table D below.

TABLE D

SHOWING THE PERCENTAGE INCREASE IN PRICES BY THE END OF 1924 FROM THEIR MINIMA.

Country	Date of minimum	Percentage increase from minimum
United States . .	I, 1922	14
China	IX, 1922	13
Netherlands . . .	VIII, 1923	13
Czechoslovakia . .	VII, 1923	11
United Kingdom .	IX, 1922	10
Canada	IX, 1922	9
South Africa . . .	VII, 1923	7
Sweden	VII, 1924	7
New Zealand . . .	I, 1923	6
Peru	I, 1923	6
Finland	XI, 1923	6
Switzerland . . .	IV, 1922	5
British India . . .	VII, 1923	4

Thus by the end of 1924 the rise in prices from the minima reached in 1920 or since that year was less than in the United States in twelve countries. These twelve countries include Sweden, where, however, prices continued to fall without interruption until after the export of gold was permitted, the United Kingdom and all the British Dominions which have joined her in restoring an effective gold standard, the Netherlands, which have done the same, Switzerland, Peru, Czechoslovakia and India. Since the end of 1924, dollar prices have continued to rise and were at the end of March 1925, 17% above their post-war minimum.

The number of countries in which prices have, in the past few years, risen appreciably more than in the United States without a complete re-organisation of the currency system being forced upon them, is not great. By the end of 1924 prices had risen in France from the minimum given by 65 per cent., in Denmark by 33 per cent., in Egypt by 30 per cent., in Norway and Italy by 26 per cent. compared with 14 per cent. in the United States. Owing to the economic structure of the country and the predominant importance of one or two commodities, prices in Egypt as measured by the index tend to fluctuate to a quite exceptional extent.

As stated above, in France, Belgium and Switzerland, they have tended to move in close sympathy with the exchanges. The accompanying diagrams Nos. 1 and 2 illustrate the movements in France and Switzerland. Both exchanges and prices in Belgium remained during 1924 in close sympathy with the French.

The violent fluctuations of the French exchange during the first half of 1924 are discussed below (p. 51). Attention is merely drawn here to the dependence of the internal upon the external purchasing power of the franc. That dependence became somewhat less marked in the last quarter of the year when, in spite of the improvement in the exchanges, prices continued to rise, in part at any rate, owing to the shortage of cereals.

In Italy prices rose rapidly during the latter half of the year, being largely affected by the higher prices of foodstuffs and textiles and possibly also by the rise in the sterling. Since about 11 per cent. of the Italian imports during 1924 came from the United Kingdom, the average price of her imports was naturally affected by the rise in the sterling dollar exchange. This increase in the cost of imports did not affect their quantity to a compensatory extent, and tended to raise the total price

Diagram No 1.
France: Prices and Exchanges (Cost of Dollar)
(End of 1923 = 100)

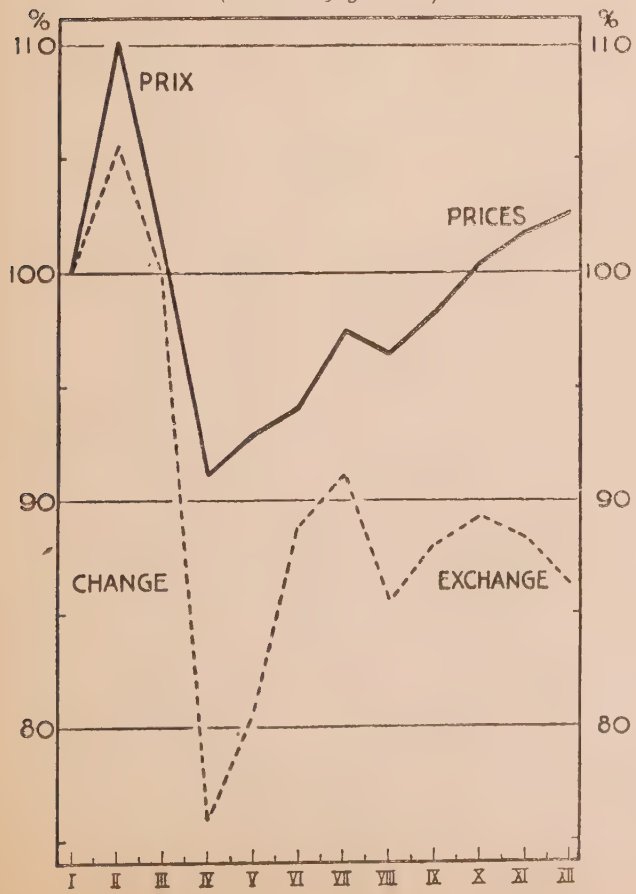
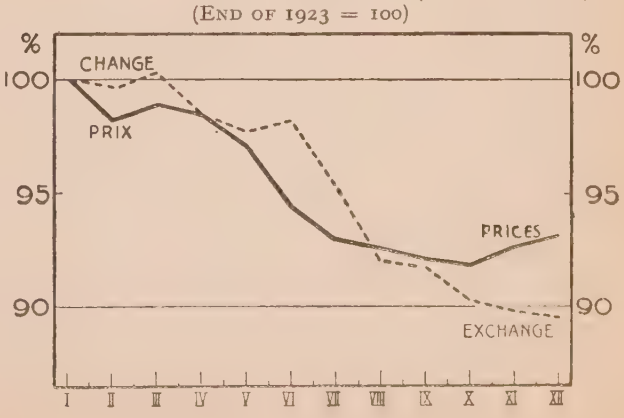


Diagram No 2.
Switzerland: Prices and Exchanges (Cost of Dollar)
(End of 1923 = 100)



index. To some extent this rise in the index was due to technical reasons connected with its composition; but there can be no doubt that the real level of prices rose during the last six months of the year.

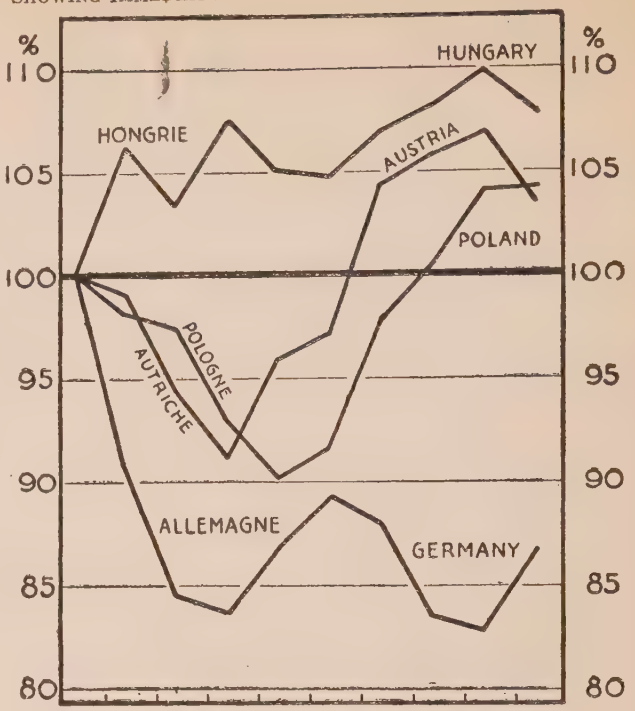
From Table C have been omitted those countries in which a temporary fall of prices has immediately succeeded the stabilisation of their currency, to be followed by a more prolonged rise up to the world level. The extent both of the fall and the rise in prices which is likely to take place after a radical currency reform depends on a number of different factors. In a highly industrialised country, such as Germany, the immediate shock produced by the cessation of inflation and the stabilisation of exchanges is likely to be greater than in an agricultural country, such as Hungary, and the immediate fall in prices proportionally greater. If prices are up to or near the world level at the moment of stabilisation, the drop may be greater but the subsequent rise from the level obtaining before that drop will be less than if there is a serious discrepancy between the internal and external purchasing power of the currency.

Similarly, if, as in Hungary, the exchanges are not immediately stabilised, but the external purchasing power of the currency is allowed to increase, then necessarily the rise in domestic prices or, in other words, fall in internal purchasing power will be less, or may even not occur. But in an industrialised State such an increase in the external purchasing power of the currency (improvement of the exchanges) would be likely to produce a more prolonged crisis than exchange stabilisation.

In the following diagram the price movements in Austria, Germany, Hungary and Poland during the nine months succeeding are compared with the index for the month immediately preceding the exchange stabilisation or in the case of Hungary, where the exchange was permitted to appreciate, for the month in which the Reconstruction Law was passed. The months in question are: for Austria, September 1922, for Germany, November 1923, for Hungary, April, and for Poland, February 1924.

In Germany, as explained in last year's *Memorandum on Currency*, owing to the general

Diagram No 3.
Showing Immediate Effect of Currency Reform on Prices



adoption of a system of gold accountancy and other causes, domestic prices in the autumn of 1923 were not greatly below gold prices. The fall of 15 per cent. in a single month constitutes some measure of the industrial slump, which the currency reform entailed. The immediate collapse in Austria and Poland, where gold prices were lower at the moment of stabilisation, was very considerably less than in Germany; and in Hungary, essentially an agricultural State, the movement was quite irregular. It may be added with reference to the subsequent price movements in all these countries that the level of prices in countries borrowing heavily from abroad will tend to be above the levels ruling in those countries in which they borrow.

In view of the practical importance of relative price levels at the present time, when the gold standard is being restored over wide areas of the globe, Table D may be usefully supplemented by figures showing the percentage differences between the index numbers of the U.S.A. and both those countries which have replaced their currency on a gold or gold exchange basis and those which, without having accomplished such a reform, have attained an exchange rate close to parity.

TABLE E

SHOWING PERCENTAGE DIFFERENCES BETWEEN VARIOUS INDEX NUMBERS AND THE INDEX NUMBER OF THE U. S. A.

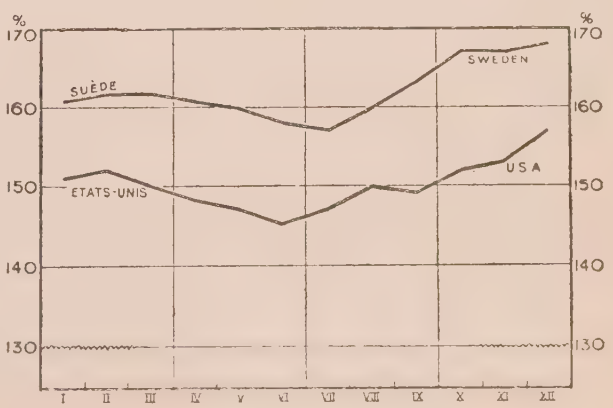
Country	1920	1921	1922	1923	1924				1925
					III	VI	IX	XII	III
Egypt	+ 31	+ 14	— 6	— 9	— 9	— 10	— 1	— 1	— 4
Netherlands . .	+ 35	+ 19	— 1	+ 2	+ 3	+ 4	+ 6	+ 2	— 4
Canada	+ 21	+ 8	— 2	+ 2	+ 3	+ 5	+ 3	+ 2	0
United Kingdom	+ 47	+ 20	0	+ 8	+ 10	+ 12	+ 12	+ 8	+ 3
Sweden	+ 70	+ 34	+ 4	+ 6	+ 8	+ 9	+ 9	+ 7	+ 4
Switzerland , .	+ 39	+ 27	+ 11	+ 21	+ 21	+ 21	+ 14	+ 8	+ 4
Australia . . .	+ 15	+ 11	+ 8	+ 21	+ 16	+ 18	+ 14	+ 10	+ 4
Dutch E. Indies					+ 20	+ 23	+ 19	+ 14	+ 10
New Zealand .	+ 22	+ 35	+ 11	+ 15	+ 20	+ 24	+ 21	+ 15	+ 9

A comparison of the figures at the end of 1920 and at the end of 1924 brings out clearly the magnitude of the task which certain countries have ventured to undertake in order to raise the purchasing power of their currency to or close to that of gold. But it is extremely doubtful if it can be determined whether the price levels of, for instance, Canada, the Netherlands, Sweden, Switzerland, or the United Kingdom were above or below the gold price level. These indices cannot be accepted as perfect measures of purchasing power and, even if they could, and even if it could be legitimately presumed, which it cannot, that the price levels in the base year were all identical or at equilibrium, there are many factors, amongst the most important of which are perhaps tariff changes, which necessarily impede exact equilibrium.

It is not possible to ascertain what margins of error should be allowed on account of imperfections in the indices, but it may be noted that if, instead of those utilised in the foregoing table, the special calculations which the U.S. Federal Reserve Board has made with the express object of achieving greater international comparability be adopted, the Canadian figure for the end of 1924 is changed from + 2 to — 10, that for the United Kingdom from + 8 to + 7, and that for Sweden, if the comparable *Svenska Dagbladet* index be employed with the Federal Reserve Board's, from + 7 to + 1. The conclusion which should be drawn from the table with reference to this particular point, therefore, is rather that by the end of 1924 the price indices of all the countries shown, with perhaps the exception of the last three, namely those for New Zealand, Australia and the Dutch East Indies, had drawn so close to the gold index that it is impossible to determine without further evidence and careful special enquiry whether their actual level of prices was above or below that which exchange equilibrium would require.

On the other hand it may be expected that the general tendency of price movements in countries in which an effective gold standard has been established will, in the absence of special disturbing factors — such, for instance, as tariffs or the fact that any particular country has started foreign borrowing on a large scale — be similar. This tendency is well illustrated by the following diagram, showing the Swedish and American indices during the year 1924.

DIAGRAM No 4.
SWEDEN AND U. S. A.: PRICES IN 1924.



During the 12 months in question the Swedish discount rate remained unchanged at 5½ per cent., but the Federal Reserve rate was progressively lowered from 4.50 to 4 in April, to 3.5 in June and finally to 3 in August.

In spite of the effects of the poor harvest in 1924, prices were on the whole slightly more stable in that year than in 1923, as the following table indicates:

TABLE F

SHOWING THE MAXIMUM, THE MINIMUM AND THE MEAN DEVIATION OF THE MONTHLY INDICES EXPRESSED AS A PERCENTAGE OF THE YEARLY AVERAGE INDEX NUMBER.

Country	1920			1921			1922			1923			1924		
	Maximum % differences (+and —) of monthly indices from their annual averages		Average monthly % difference for whole year	Maximum % differences (+and —) of monthly indices from their annual averages		Average monthly % difference for whole year	Maximum % differences (+and —) of monthly indices from their annual averages		Average monthly % difference for whole year	Maximum % differences (+and —) of monthly indices from their annual averages		Average monthly % difference for whole year	Maximum % differences (+and —) of monthly indices from their annual averages		Average monthly % difference for whole year
	+	—		+	—		+	—		+	—		+	—	
New Zealand	4.9	8.5	3.6	7.5	6.0	3.0	4.5	2.8	1.6	1.1	2.3	0.8	0.8	2.6	0.6
Peru	4.7	5.6	3.1	7.8	7.2	2.6	1.9	2.1	0.8	1.7	2.4	1.1	1.8	1.6	0.8
South Africa.	4.2	3.8	2.0	17.5	13.7	10.3	2.3	1.6	1.2	3.1	2.4	2.0	3.0	3.0	0.8
United Kingd.	5.9	14.2	4.5	24.1	15.3	8.2	3.3	2.8	1.6	2.8	2.8	1.3	2.3	2.2	1.3
British India.	6.9	11.8	3.6	3.3	3.9	1.9	3.9	2.2	1.5	2.8	3.4	1.7	1.7	2.8	1.3
Finland . . .	20.2	13.4	11.3	8.0	6.4	3.9	3.6	6.5	2.6	3.6	2.3	1.3	3.5	2.6	1.5
Canada . . .	5.4	10.8	4.2	16.9	12.2	7.6	1.3	2.6	1.1	2.6	1.3	1.1	3.7	2.9	1.6
Sweden . . .	4.5	15.0	4.3	23.4	15.3	10.2	4.6	5.8	2.4	3.1	1.8	1.4	3.7	3.1	1.6
United States	9.3	20.8	7.0	15.6	4.8	4.9	4.7	7.4	3.9	3.2	2.6	1.7	4.7	3.3	1.6
China. . . .	5.2	6.2	2.7	2.7	4.0	1.1	4.1	4.1	2.2	1.9	1.9	1.1	3.6	3.3	1.7
Australia . .	8.6	9.5	5.3	17.1	11.4	7.2	4.9	5.6	3.0	5.6	5.6	2.9	5.3	2.3	1.7
Spain	3.6	3.6	2.2	15.3	3.7	3.9	2.3	2.3	1.4	2.3	1.2	1.0	8.2	2.7	1.9
Denmark . .	5.2	11.0	3.7	22.9	24.6	14.4	1.7	1.7	1.0	2.9	5.9	1.9	2.6	3.9	1.9
Czechoslov. .							19.5	22.8	16.0	3.8	3.4	2.3	4.5	4.7	1.9
Netherlands.	4.8	17.5	4.3	19.2	8.3	5.5	3.1	5.0	2.8	4.0	6.0	2.9	3.2	3.2	2.1
Japan. . . .	23.9	20.8	13.5	9.5	5.0	4.0	5.1	6 6	2.7	6.3	7.5	3.9	3.8	5.4	2.2
S. H. S. . . .													4.8	5.2	2.3
Norway . . .	11.3	12.8	7.2	15.4	9.7	4.7	11.6	5.6	4.1	4.7	5.6	2.2	4.7	5.8	2.4
Switzerland .				22.0	7.3	8.0	4.2	3.6	2.4	3.3	4.4	1.7	5.0	3.5	2.9
Italy	7.3	18.8	6.1	11.3	11.8	5.6	6.9	6.9	4.0	2.3	2.1	1.2	9.4	3.2	3.1
Austria . . .							120.7	85.4	83.2	5.9	7.3	3.1	6.3	6.4	3.1
Belgium . .							11.2	6.3	4.5	9.7	12.7	5.2	12.0	4.5	3.7
France . . .	15.3	14.7	6.3	17.9	5.8	5.4	10.8	6.2	4.0	9.5	7.7	3.1	11.3	7.9	3.9
Poland . . .							151.8	56.9	51.5	557.4	97.5	133.0	7.4	8.7	3.9
Russia . . .										493.5	96.8	117.0	10.9	5.7	4.0
Germany . .	15.0	15.5	6.3	82.5	31.6	33.1	331.5	89.3	105.6	659.9	99.9	166.0	7.2	6.1	4.0
Egypt	18.7	25.6	9.0	17.9	8.7	5.3	6.8	5.5	3.9	6.8	9.1	4.1	10.5	8.4	6.5
Hungary . .													11.4	51.2	10.9

The division of the period into years in the above table is to some extent arbitrary and happens to eliminate the final leap which the Polish index accomplished from 142,300,700 in December 1923 to 252,167,700 in January 1924. The wild price fluctuations which characterised certain inflationary countries of Europe in 1923 had ceased, excepting in Hungary, by February 1924. If similar calculations to those shown in the table be made for Hungary for the 12 months ending April 1925, that is for the first year of financial reform, her position in the table would be very different — the figures being + 4.6, — 7.4 and 2.66 respectively.

The other countries in which prices were on the whole somewhat less stable in 1924 than in 1923 may be divided roughly into three groups. The first group consists of the two countries, the United States of America and Sweden, whose currency was definitely on a gold basis. It will be observed that the paper prices of the United Kingdom and the majority of the British Dominions were somewhat more stable than gold prices. In the second group fall those countries, such as France and Belgium referred to above, where increased instability was due mainly to wider exchange movements, and Switzerland, where the exchange improved steadily. In the third fall Spain and Egypt, which were particularly affected by the changes in the values of agricultural products.

The year as a whole constitutes an important stage in the progress to the state under which violent modifications of values resulting directly or indirectly from erratic exchanges, lack of confidence founded or unfounded, a continual discounting abroad of the future depreciation of some currency manufactured on the principles of mass production no longer obtain and prices are with credit more readily subject to control and capable of being manipulated by means of the discount rates.

II. NOTE CIRCULATION AND CURRENCY CONDITIONS.

By the end of 1924 direct inflation of currency through the agency of central banks had ceased in nearly every country of the world. The wilder ecstasies of what in recent years has come to be known as hyper-inflation had completely ceased. Of this progress towards currency stability Table G (see pages 16 to 21) presents a record.

The note circulation of the 45 countries given at the end of each quarter of 1921, 1922, 1923 and 1924 is shown as a percentage of the circulation at the end of 1920, and the price movements on the same base are given for those countries for which wholesale price indices are available.

The maximum circulation figure reached by each country is printed in heavy type, and the countries are arranged in the order of the degree of reduction or augmentation in their note circulation at the end of 1924.

It was remarked in the *Memorandum on Currency* published in 1923 that, of the 34 countries then given in the table, "there has been a definite reduction in the total note circulation since the period of maximum inflation. In all these countries the direct dependence of the Government upon the printing press, where such dependence previously existed, ceased during 1921 or 1922".

Interest no longer centres simply round the fact of greater stability as such, but in the first place round the particular processes by which States have surmounted the further difficulty of linking their paper currencies to gold and round those States which have not achieved stabilisation.

The experience of Sweden during the year 1924 is of particular importance in connection with the latest developments in world currency conditions. When at the end of March 1924 the prohibition to export gold was removed, the Swedish exchange stood about 2 per cent below its dollar parity. By the end of April the dollar quotation had risen as high as 3.80 (3.73 = par), from which it sank towards the end of August to 3.7575, which represents approximately gold export point. In December it further improved to 3.71. There was a net export of gold during every month of the last three quarters in the year except July and August, the total loss amounting to 34 million kronor or over 12.5 per cent of the total stock at the end of March quarter. On the other hand, the net holdings of foreign currency, after falling from 99.1 million kr. at the end of March to 66.5 million kr. on June 7th, 1924, increased rapidly at the end of the year.

TABLE G

SHOWING PERCENTAGE MOVEMENTS OF THE NOTE CIRCULATION AND

(End of

		1920	1921				1922			
		XII	III	VI	IX	XII	III	VI	IX	XII
Sweden	Notes	**100**	94	89	88	83	82	77	80	77
	Prices [1]	100	81	73	66	62	58	57	56	53
Dutch East Indies	Notes [2]	**100**	91	86	86	80	75			73
	»									
	Prices [1]									
Czechoslovakia	Notes	100	97	99	102	**107**	91	87	90	89
	»					(100)	(85)	(81)	(84)	(83)
	Prices					(100)	(89)	(87)	(63)	(60)
Norway	Notes	**100**	88	87	86	85	80	80	80	80
	Prices	100	83	78	76	71	64	61	60	58
New Zealand	Notes [3]	**100**	94	95	86	90	90	88	78	82
	Prices [3]	100	96	92	90	87	83	81	80	80
United Kingdom	Notes	**100**	94	90	87	90	84	83	81	83
	Prices [1]	100	80	75	71	64	61	61	58	59
Bolivia	Notes	**100**		90		80		76		74
Canada	Notes [4]	**100**	89	86	83	90	77	75	75	82
	Prices [1]	100	86	76	74	69	71	70	68	70
Denmark	Notes	**100**	93	89	86	85	80	79	84	82
	Prices	100	79	74	59	52	52	53	52	53
Netherlands	Notes	**100**	98	93	93	94	93	94	93	94
	Prices [1]	100	78	75	75	69	68	68	63	64
Switzerland	Notes [5]	**100**	97	92	94	98	80	76	78	94
	Prices	100	88	74	77	74	68	68	68	73
United States	Currency [6]	**100**	91	87	84	83	79	77	80	84
	Prices [1]	100	87	79	79	78	79	84	85	87
Australia	Notes	100	**101**	88	90	92	91	80	82	88
	Prices [1]	100	92	82	81	75	74	79	80	82
Italy	Notes [2]	**100**	96	93	93	98	93	91	92	92
	Prices	100	92	78	88	91	81	82	89	88
Finland	Notes	100	110	104	106	101	107	102	104	106
	Prices [1]	100	86	89	97	93	89	88	87	82

TABLE G

PRICES AT THE END OF EACH QUARTER FOR THE YEARS 1921 TO 1924.
1920 = 100.)

1923				1924					
III	VI	IX	XII	III	VI	IX	XII		
77	77	79	76	73	73	74	71	Notes	**Sweden**
55	54	53	52	53	52	53	55	Prices [1]	
		72	73	73	71	74	77	Notes [2]	**Dutch East Indies**
				(100)	(97)	(101)	(105)	»	
				(100)	(99)	(98)	(99)	Prices [1]	
81	83	82	85	73	72	73	78	Notes	**Czechoslovakia**
(75)	(77)	(77)	(79)	(68)	(67)	(68)	(73)	»	
(61)	(57)	(58)	(59)	(61)	(58)	(60)	(63)	Prices	
78	86	84	83	79	82	81	82	Notes	**Norway**
61	61	62	65	71	70	73	74	Prices	
80	81	77	80	80	80	77	82	Notes [3]	**New Zealand**
79	80	80	80	81	82	82	83	Prices [3]	
81	81	80	84	80	82	80	83	Notes	**United Kingdom**
61	60	60	62	63	62	63	64	Prices [1]	
	76		77		80		83	Notes	**Bolivia**
78	75	78	80	70	67	67	84	Notes [4]	**Canada**
72	72	71	71	71	70	71	74	Prices [1]	
84	87	82	85	83	86	85	86	Notes	**Denmark**
59	61	60	62	67	65	69	69	Prices	
93	90	94	99	95	92	91	87	Notes	**Netherlands**
65	62	60	64	64	63	66	66	Prices [1]	
89	86	90	95	87	85	86	88	Notes [5]	**Switzerland**
77	75	75	76	75	72	70	71	Prices	
82	84	86	88	85	84	85	88	Currency [6]	**United States**
89	85	86	84	84	81	83	88	Prices [1]	
86	83	83	86	82	84	83	90	Notes	**Australia**
83	91	87	88	85	83	82	84	Prices [1]	
88	90	89	89	86	91	92	93	Notes [2]	**Italy**
90	87	87	88	88	86	89	98	Prices	
116	107	103	101	104 [6]	97	95	93	Notes	**Finland**
79	78	78	78	78	78	80	81	Prices [1]	

TABLE G *(continued)*

SHOWING PERCENTAGE MOVEMENTS OF THE NOTE CIRCULATION AND

(End of

		1920	1921				1922			
		XII	III	VI	IX	XII	III	VI	IX	XII
Costa Rica	Notes [7]	**100**		97				95		96
Japan	Notes [2]	100	85	87	89	**108**	91	94	87	105
	Prices [1]	100	93	93	101	102	98	96	94	89
Argentine	Notes	**100**	100	100	100	100	100	100	100	100
South Africa	Notes	**100**	98	93	96	97	91	87	89	91
	Prices [8]	100	88	80	73	70	68	67	69	69
Spain	Notes	100	98	97	98	98	97	96	96	96
	Prices	100	86	83	82	82	79	79	78	77
Uruguay	Notes	100	100	103	100	102	100	97	94	98
Ecuador	Notes	100	100	101	96	98	100	100	99	98
Egypt	Notes	100	92	84	93	95	86	76	74	85
	Prices [1]	100	73	69	72	68	65	59	59	63
France	Notes	100	102	100	99	97	95	96	97	96
	Prices	100	83	75	79	75	71	75	76	83
Chile	Notes	100	101	109	109	107	99	98	88	100
Belgium	Notes [9]	100				99		96	100	105
	»					(100)		(97)	(101)	(106)
	Prices [10]					(100)	(95)	(96)	(99)	(110)
Nicaragua	Notes	100	88	77	71	66	74	73	73	80
Bulgaria	Notes	100	96	94	102	108	111	113	118	116
Guatemala	Notes	100		105		108		116		122
Venezuela	Notes	100		127		130		125		132
Paraguay	Notes	100	112	122	121	121	118	118	118	118
Brazil	Notes	100	102	105	113	111	106	111		121
Esthonia	Notes [2]	100				146	168	160	163	178
Salvador	Notes	100		73		85		97		114

TABLE G *(continued)*

PRICES AT THE END OF EACH QUARTER FOR THE YEARS 1921 TO 1924.

1920 = 100.)

1923				1924					
III	VI	IX	XII	III	VI	IX	XII		
		94	90		96	95		Notes [7]	**Costa Rica**
84	90	95	**108**	84	86	77	97	Notes [2]	**Japan**
95	96	102	102	100	97	100	104	Prices [1]	
100	100	100	100	**100**	99	98	97	Notes	**Argentine**
93	97	96	97	98	**100**	93	**100**	Notes	**South Africa**
67	66	67	70	67	66	70	69	Prices [8]	
95	94	96	100	100	100	103	**105**	Notes	**Spain**
76	76	78	79	80	80	82	88	Prices	
102	98	97	106	**108**	102		106	Notes	**Uruguay**
98	97	96	98	100	99	103	**107**	Notes	**Ecuador**
79	69	73	92	85	75	87	**108**	Notes	**Egypt**
58	54	52	58	58	56	63	66	Prices [1]	
99	98	100	101	106	106	107	**108**	Notes	**France**
97	94	97	105	115	107	112	116	Prices	
92	1.5	86	97	94	99	100	**111**	Notes	**Chile**
107	105	110	116	117	118	115	**121**	Notes [9]	**Belgium**
(107)	(106)	(111)	(117)	(118)	(119)	(116)	(122)	»	
(131)	(131)	(139)	(148)	(169)	(153)	(149)	(153)	Prices [10]	
96	94	91	97	124	**137**	124	128	Notes	**Nicaragua**
116	114	115	123	142	**143**	130	135	Notes	**Bulgaria**
129	130		130		136	**138**	137	Notes	**Guatemala**
	130		131		**143**			Notes	**Venezuela**
118	118	118	118	157	**172**	165	147	Notes	**Paraguay**
			143	143	145	**161**	**161**	Notes	**Brazil**
186	176	171	165	168	148	149	170	Notes [2]	**Esthonia**
	115		124		147		**177**	Notes	**Salvador**

TABLE G *(concluded)*

SHOWING PERCENTAGE MOVEMENTS OF THE NOTE CIRCULATION AND

(End of

		1920	1921				1922			
		XII	III	VI	IX	XII	III	VI	IX	XII
Kingdom of the Serbs, Croats and Slovenes	Notes " Prices	100	105	112	134	140	143	144	156	151
Roumania	Notes	100				133		135	145	145
Portugal	Notes	100	104	106	110	121	124	133	150	173
Lithuania	Notes									(100)
Greece	Notes	100	106	117	136	143	79	113	154	209
Latvia	Notes	100	150	177	198	241	240	230	245	308
Austria	Notes " Prices	100	134	162	229	591 (100) (100)	992 (134) (116)	1,794 (242) (272)	7,583 (1,022) (1,512)	13,315 (1,795) (1,378)
Hungary	Notes " Prices [1]	100	109	126	146	176	205	235	415	531
Germany	Notes [11] Prices [12] Currency [6] Prices [1]	100 100	98 93	104 95	116 144	151 242	172 377	221 488	408 1,993	1,591 10,242
Poland	Notes " Prices Currency [6] Prices	100	150	208	310 (100) (100)	465 (150) (95)	508 (164) (122)	608 (196) (146)	939 (303) (253)	1,607 (519) (575)
Russia	Notes Currency [13] Prices	100	144	201	388	1,501	6,950	27,433	69,777	 (100) (100)

* 000's omitted. ** 000,000's omitted.

[1] Monthly averages. [2] Total of bank and government notes. [3] Quarterly averages. [4] Total issue of Dominion notes. [5] Including Loan Bureau notes. [6] Total circulation of coin and notes. [7] Total of notes of the Banco International, of silver notes (net circulation) and of Conversion Office notes. [8] January, April, July, October. [9] Notes

TABLE G *(concluded)*

AND PRICES AT THE END OF EACH QUARTER FOR THE YEARS 1921 TO 1924.

1920 = 100.)

1923				1924					
III	VI	IX	XII	III	VI	IX	XII		
162	166	177	173	167	163	178	**180**	Notes	**Kingdom of the Serbs, Croats and Slovenes**
			(100)	(97)	(94)	(103)	(104)	»	
			(100)	(100)	(98)	(97)	(104)	Prices	
148	155	167	171	171	170	180	**186**	Notes	**Roumania**
186	199	216	232	244	259	272	**289**	Notes	**Portugal**
(139)	(160)	(176)	(197)	(234)	(223)	(245)	**306**	Notes	**Lithuania**
246	288	287	310	312	301	309	**323**	Notes	**Greece**
335	356	350	356	356	356	356	**393**	Notes	**Latvia**
14,550	17,727	20,313	23,252	23,314	25,370	26,000	**27,370**	Notes	**Austria**
(1,962)	(2,390)	(2,739)	(3,135)	(3,144)	(3,421)	(3,519)	(3,690)	»	
(1,582)	(1,566)	(1,520)	(1,553)	(1,633)	(1,561)	(1,654)	(1,772)	Prices	
575	1,105	4,115	6,509	11,231	20,224	28,767	**31.549**	Notes	**Hungary**
			(100)	(173)	(311)	(442)	(485)	»	
			(100)	(262)	(279)	(283)	(297)	Prices [1]	
6,830	21,378	35,204 *						Notes [11]	**Germany**
33,958	235 *	587**						Prices [12]	
			(100)	(124)	(138)	(163)	**188**	Currency [6]	
			(100)	(96)	(92)	(101)	(104)	Prices [1]	
3,730	7,225	22,685	254 *	1,208 *				Notes	**Poland**
(1,205)	(2,334)	(7,329)	(82)*	(390)*				»	
(1,642)	(3,125)	(12,129)	(236)	(407)*				Prices	
				(100)	(148)	(177)	**204**	Currency [6]	
				(100)	(91)	(102)	(107)	Prices	
								Notes	**Russia**
(151)	(180)	(252)	(312)	(382)	(450)	(572)	**677**	Currency [1]	
(120)	(151)	(164)	(176)	(189)	(176)	(171)	(179)	Prices	

of the National Bank, Current Account notes and notes of the *Société Générale de Belgique*. [10] Average of second half of month. [11] Notes of the Reichsbank, private banks Loan Bureau and Treasury notes. [12] Up to March 1923, monthly averages. The basic figure for the second quarter of 1923 reffers to July 3rd and that or the third quarter to October 2nd. [13] Total metallic and paper circulation expressed in gold.

The monthly movements of the gold and of the foreign currency reserve during 1924 were as follows:

Kronor (000,000's omitted).

End of	Gold reserve	Foreign exchange net reserve	Total
January	271.7	112.3	384.0
February	271.5	98.1	369.6
March	271.2	99.1	370.3
April	265.0	89.7	354.7
May	247.5	68.7	316.2
June	247.3	77.8	325.1
July	249.2	95.1	344.3
August	250.9	94.4	345.3
September	246.7	93.8	340.5
October	240.2	102.5	342.7
November	239.0	95.4	334.4
December	237.0	136.3	373.3

During the course of the year 1924 the foreign net holdings of commercial banks apart from their reserves of foreign Government securities decreased by about 23 million kr. compared with 147 million kr. in 1923[1]. With a view to protecting the exchanges and the gold reserves, the Government sold Treasury bills in the United States of America to the value of $10 million in March and April and the national debt office negotiated a revolving credit of $25 million. In September and October, it proved possible to repurchase the Treasury bills, while the revolving credit was scarcely drawn upon.

During the whole period the price of gold in Sweden was below that in London—up to October owing to the Swedish exchange being below par and after also because gold in London was dearer than in New York. There was as a result an export of some importance to Germany from Stockholm. The American discount rate, as noted above, was reduced thrice during the course of the year, in March, June and August, and no change in that of the Riksbank was found to be required. As illustrated above, the movement of prices in Sweden and the United States showed a close parallelism. Prices fell in the former country between March and July by 3% and then rose by the end of the year by 7%. In the United States they fell between March and June, in which month they reached their minimum for the year, by 3½ per cent and rose again by December 8 per cent.

Under the Swedish reform the Riksbank, which has been given the monopoly of import, is at liberty to use its discretion in the purchase of gold, so that it is theoretically possible for the exchange to fall below gold import point. Further, although notes are legally convertible into gold, gold was not even before the war utilised in the form of coin for domestic payments. In this respect, therefore, the recommendation of the Currency Commission which has been accepted by the British Parliament that gold coin should not be allowed for internal use is in conformity with old Swedish practice. In one important respect, however, the system introduced in the United Kingdom in the spring of 1925 differs from that initiated a year earlier in Sweden. Although the Bank of England is under no obligation to convert its notes into gold, it is bound to buy gold offered to it at £3 17*s.* 9*d.* per ounce. Should the value of gold depreciate, therefore, although coins would not necessarily be put in circulation, there would tend to be an increase in those Bank of England notes which are in effect gold certificates. In South Africa, on the other hand, where gold certificates have been in use for several years — though previously to April not convertible — and a mint has recently been established, it is proposed to put gold coin once more into circulation, and in Switzerland, though the export prohibition has not yet been lifted, there is still a certain amount of gold in circulation. In Australia the notes are convertible into sovereigns, but only at the head office of the Central Bank, so that it is not anticipated that gold will re-enter to any great extent into common use. There is thus at present no uniformity of practice. The question is, however, an important one, as on the decisions which are reached in this connection and on the reserve policies of the Central Banks, the future value of gold and the movement of world prices must mainly depend.

As in Sweden, arrangements were made by the United Kingdom for a revolving credit in New York, in this case to the value of $300,000,000 for two years, and the British Government acquired before the export of gold was licensed $166,000,000 in New York in order to cover in advance all its commitments in the United

[1] See *Memorandum on Balance of Payments and Foreign Trade Balances*, 1913–1924.

States for the rest of the year. The actual movement of gold during the four weeks succeeding April 29th has been:

£ (000's omitted).

Week ending	Import	Export	Net Import (+) or net Export (—)
May 6th	10	1,064	— 1,054
May 13th	5	1,054	— 1,049
May 20th	2,510	216	+ 2,294
May 27th	1,166	397	+ 769

Market rates of discount hardened in the first few days after the decision was made public from $4\frac{5}{16}$ to $4\frac{1}{2}$ (May 2nd). By May 5th the sterling dollar exchange, which on April 29th stood at $4.83\frac{3}{4}$–$4.84\frac{1}{2}$, had risen to $4.84\frac{7}{8}$-$4.85\frac{3}{4}$, which is slightly over gold export point. The manner in which the exchanges of the various countries simultaneously freeing their gold markets drew together is shown on page 49.

In the Netherlands a declaration was made simultaneously with that in the United Kingdom by the Minister of Finance that from April 29th exemption would be granted from the prohibition gold and gold coin. It is not proposed to put gold currency into circulation and export will only be allowed if the rate of exchange is above gold point. For this purpose account is to be taken only of the exchange quotations of the other countries taking similar measures. Steps were taken there as elsewhere to consolidate the credit situation before this return to gold was ventured upon. Thus the foreign bill holdings of the Netherlands Bank which stood at 38 million gulden on October 6th had been increased by the end of the year to 112 million gulden and by the end of April 1925 to 147 million gulden.

The Australian exchange before the restoration of the gold standard had been at a premium not only over London but over New York, and Australia bought $6 million in January and $17 million in gold in February 1925 from the United States. The Commonwealth Government was thus in a position in February, before the joint action with the United Kingdom was taken, to authorise the Bank to export gold so long as its reserve did not fall below the level at the beginning of 1925.

In New Zealand the prohibition to export without a licence is maintained; but it is proposed to grant the licence freely.

The South African Government had decided, before joint action was taken at the end of April, not to postpone the resumption of specie payments, which under the existing laws would, unless further legislative action were taken, begin automatically on July 1st. In view of the decision of the British Government, however, to grant licences to export gold as from April 28th, this automatic return to gold was anticipated on May 18th.

The decision published on May 12th, 1925, to permit the export of gold held outside the *National Bank* and Conversion Office from the Argentine as from June 10th was rendered possible by the generally favourable economic and trade position of the country, her considerable stocks of gold and the extraordinarily rapid improvement of her exchanges. During the month of June 1924, that is just a year before this partial removal of the gold embargo, the United States dollar stood at a premium of over 30 per cent. By the end of the year this premium had been reduced to 9 per cent; on May 12th, when the decree was issued, it was 8 per cent.

As already stated, the restoration of the gold standard in the United Kingdom automatically made the currencies of Danzig and Hungary dependent on gold.

The currency reform in Hungary differed in two important respects from that introduced in Austria eighteen months earlier. In the first place the exchange was not stabilised at once, but was allowed to improve from 15,950 to the Swiss franc at the end of May — a quotation to which it had sunk from 13,350 at the beginning of April — to 14,600 on August 1st, when it was stabilised at the rate of 346,000 kr. to the £ paper. Secondly, the korona was finally stabilised on the British pound and not on gold. The first fact necessarily involved a curtailment of the possible rise in prices, for the gap between the internal and external value of the korona was closed in part by the lowering of external prices involved in exchange appreciation instead of being wholly covered, as was the case in Austria, by an increase in domestic

prices. The second fact led to considerable temporary difficulties, as the budget, official salaries, rents, railway fares, a number of taxes, etc., had been determined in gold crowns. As the value of sterling rose the rate at which the gold were converted into paper crowns should have been reduced. But any reduction of the rate — the so-called multiplicator — would have involved a reduction of salaries at a moment when the cost of living was rising. On the other hand, since certain of the taxes were payable in terms of gold, a maintenance of an artificial rate for salaries would have involved a considerable budgetary loss. The actual changes made in the multiplicator compared with the movements of the gold crown as measured by the exchange on New York were as follows:

Date	Multiplicator: Paper Crowns for 1 Gold Crown.	Date	Exchange: Paper Crowns for 1 Gold Crown.
1924:		1924:	
April	16,000	April 30th	17,355
May	16,000	May 14th	17,760
		» 31st	18,307
June	18,000	June 12th	18,398
		» 30th	16,889
July	17,600	July 15th	16,544
		» 31st	15,847
August	17,000	Aug. 15th	15,460
		» 30th	15,578
September. . .	17,000	Sept. 13th	15,706
		» 30th	15,708
October . . .	17,000	Oct. 15th	15,598
		» 31st	15,507
November . .	17,000	Nov. 15th	15,144
		» 29th	15,140
December . . .	17,000	Dec. 15th	14,936
		» 31st	14,830
1925:		1925:	
January 1–15	15,100	Jan. 15th	14,646
» 16–31	14,900	» 31st	14,623
February 1–15	14,800	Feb. 16th	14,687
» 16–28	14,800	» 28th	14,722
March 1–15	14,800	March 16th	14,648
» 16–28	14,700	» 28th	14,659

The other events of greatest importance in the currency system of the world since the beginning of 1924 are the completion of the reforms in Germany begun in the late autumn of 1923 and the introduction of a new currency in Poland. The basic principles underlying the reforms which have been successfully carried through in all countries which have devaluated a degenerate currency are necessarily almost always the same: taxation by inflation is stopped, the public finances are put in order and the currency, linked to gold or its equivalent, and made to expand or contract with the needs of commerce and the movement of goods instead of being used as a form of indirect taxation.

But in many important respects the detailed measures of reform have differed from country to country and, indeed, Dantzig constitutes an exception even to the general rules inasmuch as the inflation from which she suffered had nothing to do with her domestic finances. Thus, in Hungary, and to a certain limited extent in Poland and Russia, a fixed unit of account was introduced before the exchange was stabilised. The Hungarian unit, the "Sparkrone", which was introduced on February 20th, 1924, was calculated daily on the basis of Vienna rates for Hungarian exchange, notes and arbitrage securities and was applied for over three months to all the credits granted by the note institution. In Russia the State Bank accepted deposits in terms of gold roubles as early as July 1922, although these deposits were subjected to an official rate of exchange. In Germany, as related in last year's *Memorandum on Currency*, many and various units were used in commerce during the worst stages of inflation, although no official measures were taken until the introduction of transitional notes. In Poland, although gold loans were raised and the budget was drawn up and taxes made payable in zloty from January 1st, 1924, whereas the exchange was not stabilised till February, the Government had not till then favoured the system of fictive units of account. In neither Poland nor Hungary (nor Austria) was any transitional or parallel currency introduced, whereas in Germany the various so-called "wertbeständige" notes, scrip of the gold loan and Railway and other "notgeld" prepared the way for the "rentenbank" notes, and the "rentenbank" notes for the gold mark notes.

Similarly in Danzig a "Zwischengulden" was introduced in October 1923. This temporary money was rendered necessary in both cases by the fact that the mark notes had become so unacceptable that some media of exchange had to be introduced before all the international financial transactions preliminary to the establishment of a new currency on an adequate

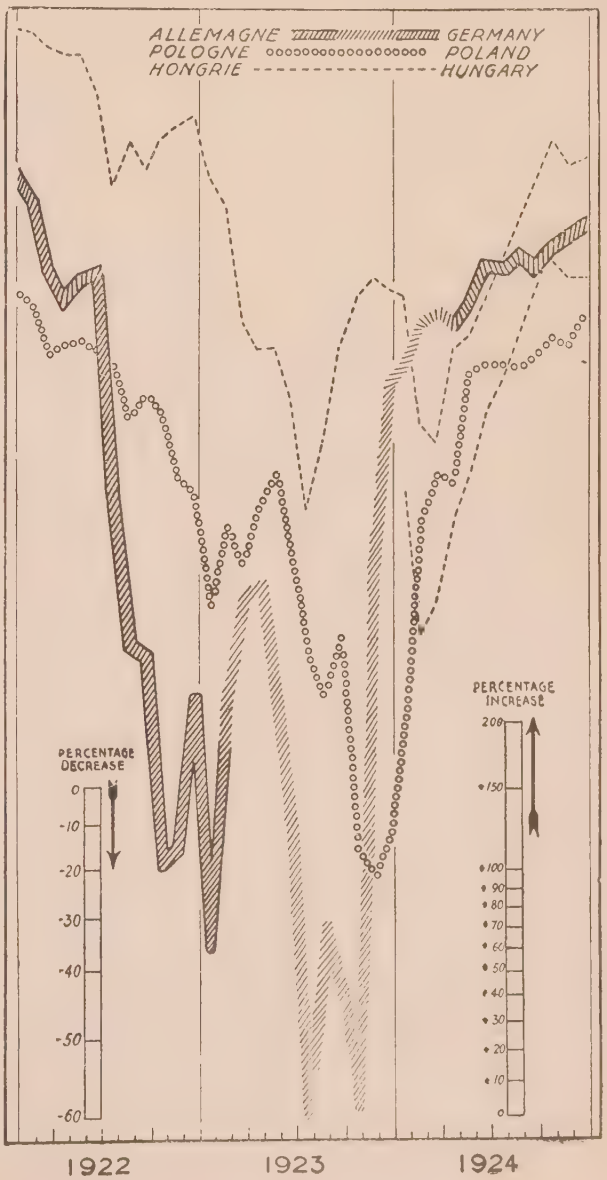
gold or foreign exchange reserve could be carried out. In Danzig, however, the Zwischengulden almost immediately replaced the mark, whereas in Germany the marks continued in circulation — after November 20th, 1923, at a fixed rate of exchange. Parallel currencies without a fixed rate of exchange are possible, as recent experience has shown when the inacceptability of the old notes is such that the hoarding of the new money is no longer possible. Thus the Soviet rouble in Russia died of old age and was afterwards legally buried.

Apart from these differences connected with the transitional currencies or accountancy units the German and the Polish reforms, as the Austrian before them, differ from those in Hungary and Russia inasmuch as the basis of the reform was the stabilisation of the exchange.

In Hungary, as mentioned above, the exchange was allowed to appreciate and in Russia the rouble exchange, though monopolised, was never fixed. Further, the first German reform, the founding of the Rentenmark, was made (as was the Russian) without foreign assistance, confidence, the all-important factor, being restored during the interval which elapsed before a more permanent reform could be introduced by a mortgage on industry and agriculture which, while it established a value behind the new notes, could not constitute a readily available cover. The currency reorganisation in all these countries was an inherent part of a wider financial reform and that wider and profounder reform depended to a varying degree upon external assistance.

To some extent inflation bears with it its own antidote, for, once confidence in the currency has been restored owing to the automatic reduction which takes place in its velocity of circulation, it is possible to put additional quantities of notes into circulation without affecting prices. Indeed, such an increase of the circulation is unavoidable if the exchange is to be prevented from appreciating and kept stable and when the gold value of the total volume of currency has very greatly diminished, as it had in Germany and Poland, unavoidable in any case. It was pointed out in last year's *Memorandum on Currency* that calculations of the gold value of a depreciated currency with a view to obtaining an idea of the extent to which the velocity of circulation has increased or to which a note issue has lost its efficiency, are liable to be invalid because they ignore the discrepancy which may exist between internal and external purchasing power. The changes in the value of the circulation in units of commodities, obtained by dividing the total circulation by the index numbers of wholesale prices, in Germany, Poland and Hungary are set out in a logarithmic scale in Diagram 5.

Diagram No 5.
Germany, Poland and Hungary: Changes in Commodity Value of Total Monetary Circulation.



For Hungary, owing to the lack of a wholesale index number in 1923, the calculation has been made on the basis of the retail index; but an additional line has been given since January 1924 based on the new wholesale index.

The violent price movements during certain periods in all three countries, but especially in Germany, render the figures on which the curves are based approximate in character. Moreover, the effective circulation during 1923 and the beginning of 1924 in Germany cannot be estimated with precision. It is for these reasons that the particular form of line shown for Germany has been adopted.

The pre-war circulation in Germany is estimated at about 6,070 million g.m. compared with 4,274 million g.m. at the end of 1924, when prices were over 30 per cent higher. A return to the pre-war total is, however, scarcely to be anticipated. Causes of a purely monetary character necessarily tend to limit the volume of required currency both there and elsewhere. Thus gold and silver in use before the war tended to circulate more slowly than does even stable paper currency, because they are more acceptable as a primitive form of saving; the use of cheques has increased, and salaries are paid on the whole at somewhat more frequent intervals than heretofore.

The Governments of Germany, Hungary, Poland and Russia have all availed themselves to some extent of this power to put additional quantities of money into circulation without affecting prices in order to help in the achievement of a budgetary equilibrium.

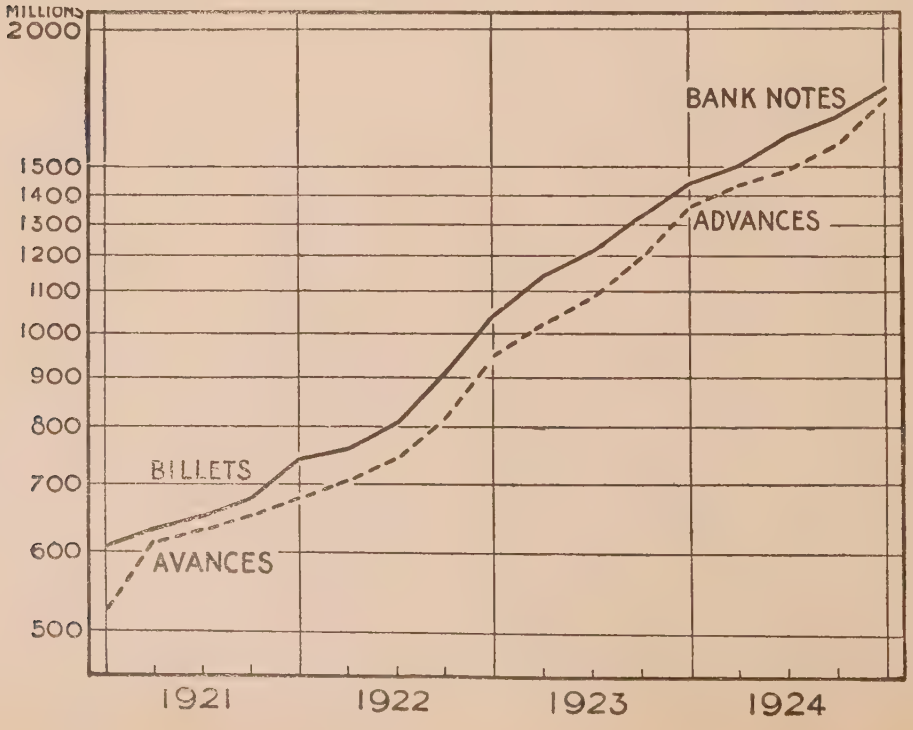
In Austria a further stage has been reached in the currency reform by the introduction of the schilling as the new currency unit early in 1925. The schilling is equal to 10,000 Kr. or 0.21172086 grammes of fine gold.

As Table G shows, the note circulation in France in the last two years has tended fairly steadily to increase. The maximum legal limit to that circulation was fixed up to April 1925 at 41 milliard francs. During the last four months of 1924 the actual circulation was not far short of this limit and the balance-sheet for the week ending January 2nd, 1925, showed

Diagram No 6.

Portugal: Notes in Circulation and Advances to the Government.

(Escudos, 000,000's omitted.)



a total issue of 40,885 million francs. At the end of the year the Government came to an arrangement with the Bank under which it repaid 1,200,000,000 francs of its debt to the Bank, paid in part out of the proceeds of a dollar loan. As a result of indirect advances accorded by the Bank, however, which stood at 1,651 million francs on February 12th, 2,523 on March 12th, 3,130 on April 2nd, the circulation continued to increase and the Bank statement for the week ending April 9th showed a total of notes outstanding amounting to 43 milliards. By a special law dated April 15th, 1925, the limit of the advances which the Bank was permitted to make to the Government was raised from 22 to 26 milliards and the maximum permissible note issue from 41 to 45 milliard francs.

The course of events in Greece in the second half-year 1924 and in the early months of 1925 was somewhat similar in certain respects. Up to the middle of June 1924, the Government issued Treasury bills, through the intermediary of the National Bank, which were furnished with an acceptance by the Bank as an additional guarantee. The Bank thus incurred a liability to redeem these bills if they were not renewed at maturity. In the second half of 1924 the market failed to renew and considerable quantities of bills were presented to the Bank for payment. Although the new indebtedness of the Government to the Bank thus created. was more than outweighed in 1924 by the repayments effected on other Government accounts, the position became difficult in the beginning of 1925, when increasing amounts of Treasury bills were presented for redemption. A law therefore was passed in April providing for increased taxation for the purpose of repaying the new floating State debt to the Bank thus created.

While the last eighteen months have been marked by currency reforms of the utmost importance for the economic recovery of the world, only in Portugal has the Government continued to have recourse to direct inflation. Diagram Nº 6, (see preceding page) which is drawn on a logarithmic scale, shows that, despite the length of this period of inflation, there has not been any definite increase in the rate of inflation since the end of 1922.

In Bulgaria a law was passed on June 30th, 1922, under which recourse by the Government to the Bank was controlled and a normal limit to the total of all forms of accommodation to the Government of 4,700 million leva fixed. This limit can only be exceeded with the consent of the Inter-Allied Commission as a temporary provision during the collection of taxes. The Government debt to the Bank as shown below has, however, been in excess of this normal limit:

End of		Leva (000,000's omitted).
1922:	XII	4,896.9
1923:	III	4,903.7
	VI	4,884.1
	IX	4,863.3
	XII	5,135.4
1924:	III	4,979.7
	VI	4,913.1
	IX	4,903.0
	XII	5,325.4

In Greece, Roumania, the Serb-Croat-Slovene Kingdom, in all of which countries the exchange improved during 1924, the increase in the note circulation was in part a measure of more active commercial operations and perhaps also in part of the rise in domestic prices towards the world level. During the year in question, as already mentioned, there was a net reduction in the Government indebtedness to the National Bank of Greece and the Roumanian Government repaid 291 million lei of its direct indebtedness to the Bank.

At the end of May 1925, a convention was made between the Government and the Central Bank of Roumania which is of special interest inasmuch as the policy underlying it would appear to be widely different from the reforms which have been considered above. It is proposed that the Government should repay to the Bank the advances which it has received during a period of fifteen or possibly twenty years, that the notes shall remain inconvertible until this has been accomplished, that the issue of notes by the Bank shall be limited to four times its reserve and until convertibility is restored may not exceed the quantity outstanding at the end of December 1924. According to the report of the General Council of the National Bank, it is proposed by this means to increase the purchasing power of the lev slowly

over a decade and a half. The total circulation in May was 19 milliards, of which more than 11 milliards were on account of direct advances to the State. The withdrawal of these 11 milliards is contemplated.

In connection with this proposal it should be recalled that the greatest contraction of the note issue in any country so far effected after the war was in Salvador and Egypt, where the circulation had fallen by June 1921 and June 1923 respectively to 41 per cent of its 1919 figure. Prices fell from their post-war maximum in Egypt by 66 per cent. But in Egypt, both note circulation and prices depend to a quite exceptional extent upon harvest conditions and are therefore subject to extreme fluctuations, whilst in Salvador the notes of the banks do not constitute the total circulation but the fluctuating margin thereof.

The fall in the note circulation in Esthonia during 1923 and the first half of 1924 represents an interesting problem in currency history in view of the simultaneous increase in bills discounted and loans and advances. The following statement shows the changes which took place in the balance-sheet of the Eesti Pank.

End of	Notes in circulation	Net reserves of gold and foreign currency	Bills discounted, loans and advances
	E. m. (000,000's omitted).		
Decem. 1922	3,726	2,177	2,810
April 1923	3,932	2,213	3,624
Decem. 1923	3,442	1,627	4,435
July 1924	2,940	1,072	4,703
August 1924	2,974	975	4,600
Decem. 1924	3,562	1,760	4,751

Thus there was a reduction in the note circulation by some 25 per cent between April 1923 and July 1924 and during the same period an increase in loans and advances by 30 per cent. The explanation of this phenomenon is to be found in the facts that the credits advanced by the Bank were converted not into domestic notes but into foreign currency, that foreign currency rendered cheap by a controlled exchange rate was purchased with domestic notes, and that owing to the poor harvest of 1922 notes held by the peasants drifted back to the Bank.

For the United States of America, with its mixed currency system, the total money in circulation has been given in Table G. During 1924 the practice of disposing of part of the surplus gold by means of putting it into circulation in the form of gold certificates was continued and considerable changes took place in the composition of the total circulation, as shown in the following table:

United States: Money in Circulation.

Dollars (000,000's omitted.)

Date	Gold coin and bullion	Gold certificates	Standard silver dollars	Silver certificates	Treasury notes of 1890	Subsidiary silver	United States notes	Federal Reserve notes	Federal Reserve Bank notes	National Bank notes	Total
1917: April 1st.	642	1,349	71	460	2	191	330	356	3	697	4,101
1921: Jan. 1st.	501	212	65	71	2	266	264	3,349	213	702	5,645
1922: Jan. 1st.	457	179	37	238	2	260	279	2,444	99	713	4,707
1923: Jan. 1st.	429	303	61	289	1	246	286	2,373	37	708	4,733
1924: Jan. 1st.	415	582	59	375	1	261	307	2,224	14	713	4,951
April 1st.	408	687	55	367	1	252	305	1,989	12	737	4,813
July 1st.	396	801	55	364	1	253	298	1,843	10	734	4,755
Oct. 1st.	428	898	55	389	1	256	304	1,729	9	737	4,806
1925: Jan. 1st.	458	971	58	388	1	267	295	1,842	8	705	4,993

Thus during 1924 the circulation of gold certificates increased by $390 millions, a figure which is nearly 50 per cent greater than the net imports of gold into the country during the same period. On the other hand, the Federal reserve notes in circulation declined from the level of about $2,200 millions maintained in 1922–23 to about $1,800 millions during 1924, and at the end of January 1925 sank as low as $1,689 millions.

The reduction of the note circulation of the Argentine in 1924 does not indicate the initiation of a more active currency policy, but is simply the result of the sale of part of the gold

previously held abroad to meet the service of the public debt. In February 1925, however, the Government temporarily authorised the deposit of gold with foreign legations in countries permitting the export of gold and the issue of notes by the Conversion Office against such deposits.

The note circulation in Japan is subject to very considerable seasonal variations, the quantity of notes outstanding at the end of the year being, as Table G shows, normally 20 per cent or more in excess of the average of the other quarters. The effective circulation in 1924 was less than that shown in Table III, as a quantity of notes were destroyed in the earthquake in the preceding autumn.

III. DEPOSITS.

The available statistics with reference to deposits in commercial banks are far from being wholly satisfactory. In many countries balance-sheets are only published annually and the data are not collected and co-ordinated until many months after the bank reports have been issued. Frequently all classes of deposits, although from the point of view of currency composed of very different elements, are grouped together, with the result that the figures have relatively little value. Further, owing to the differences in the laws under which banks operate and to the different practices within the limits of those laws, many difficulties present themselves.

Whenever possible, (1) current and giro accounts, (2) time deposits, and (3) savings deposits have been shown separately. It is not possible, however, to draw a hard-and-fast line of division equally applicable in all cases, and reference should be made to the notes on Tables VI and VII (Vol. II). Thus, for example, among the German sight deposits have been included those time deposits on which only seven days' notice requires to be given. Likewise the distinction between interest-bearing and non-interest-bearing deposits in Australia is not exactly the same as between time and sight. In relatively few cases is it possible to give statistics covering all the commercial banks operating within a country. On this account the deposit figures show in certain cases an increase due not to any actual augmentation in the total sum of savings or advances but to banking amalgamations. In particular, the apparent rise in the volume of deposits in Italy, the Netherlands and Germany may in part be attributed to this fact. In all cases when statistics for all banks were not available for the whole period under review, data have been given only for those banks for which the balance-sheets or summaries for each year could be obtained.

A further difficulty arises when payments to bankers' creditors are temporarily suspended. During such time, the deposits held by banks which have suspended payment cease to be purchasing power. It is not possible either to omit the deposits during the critical period when, as is often the case, special steps are taken to permit, at any rate, small depositors to withdraw limited amounts, or to omit the bank in question altogether, for when bankruptcy has been declared or a reconstruction arranged, there will probably be a transference of a part of the liberated deposits to other banks, with the result that the series shows an increase just at the moment that the extent of the actual decrease becomes definable. The most important example of this difficulty is that of the Banca di Sconto, the doors of which closed from December 29th, 1921, to July 6th, 1922. The Italian figures are accordingly given twice in Table H, once including the Banca di Sconto (or its successor, the Banco Nazionale di Credito) and once excluding it. The Italian figures in Table J exclude the deposits of this bank. In Norway, a great number of banks which were threatened by bankruptcy in connection with the 1922–1923 credit crisis in that country have been placed under public administration in conformity with a law of March 24th, 1923. These banks continue their operations and all new deposits received by them enjoy priority should there be an eventual liquidation. Deposits which existed before this

arrangement, on the other hand, can for the time being only be drawn upon to the extent to which they would unquestionably have been met had an immediate liquidation taken place. In these circumstances, the face value of the deposits given in the table does not represent the real available purchasing power.

TABLE H

SHOWING THE PERCENTAGE MOVEMENTS OF DEPOSITS AT THE END OF EACH YEAR, 1913-1923.
(1913 = 100)

Country		1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	Corrected percentages 1920	1921	1922	1923
Belgium	Total Commercial	100	—	—	—	—	—	—	321	335	365	402	—	91	90	74
	Savings	100	97	95	95	99	111	119	137	155	167	176	—	42	41	32
	Prices	—	100	—	—	—	—	—	—	369	407	545	—	—	—	—
Bulgaria [1]	Total Commercial															
	A	100	113	143	160	343	378	585	1006	1400	1314	2130	—	—	—	—
	B	100	101	123	153	348	442	762	1270	1643	1672	2786	—	—	—	—
	Savings [2]	100	100	116	174	324	435	424	430	421	415	382	—	—	—	—
Denmark	Total Commercial	100	109	146	223	269	408	450	471	415	368	360	138	234	203	171
	Savings	100	104	114	129	146	169	170	177	189	208	210	52	106	115	100
	Prices	100	—	—	—	—	—	—	341	177 [3]	181	210	—	—	—	—
Finland	Sight	100	127	270	441	941	1273	1305	1635	1519	1662	1638	117	117	145	149
	Time	100	103	115	145	230	347	397	427	443	483	531	30	34	42	48
	Total [4]	100	105	127	167	279	418	530	614	654	695	712	44	50	61	65
	Savings	100	105	122	156	217	289	341	375	440	506	564	27	34	44	51
	Prices	100	—	—	—	—	—	—	1400	1295	1149	1096	—	—	—	—
France	Sight	100	85	88	106	150	175	333	368	358	384	415	84	110	106	90
	Time	100	30	28	29	34	36	43	47	45	41	46	11	14	11	10
	Total [5]	100	72	74	88	124	144	268	296	288	307	332	68	88	85	72
	Savings	100	99	92	82	86	95	124	140	165	185	197	32	51	51	43
	Prices	100	—	—	—	—	—	—	436	326	363	459	—	—	—	—
Germany	Sight	100	128	163	192	304	428	1112	1729	3144	53486		120	90	32	
	Time	100	73	103	182	317	365	411	693	1227	5296		48	35	3	
	Total [5]	100	104	135	186	304	394	787	1241	2293	32783	21909 †	86	66	20	18
	Prices	100	—	—	—	—	—	—	1440	3487	167030	122400 [6] †	—	—	—	—

† 000,000,000's omitted.
[1] A. Deposits in private joint stock banks. B. The same as under A, plus private deposits of the National Bank.
[2] Post Office savings.
[3] January 1922.
[4] Including foreign correspondents.
[5] Including correspondents at home.
[6] January 3rd, 1924.

Table H (*continued*)

SHOWING THE PERCENTAGE MOVEMENTS OF DEPOSITS AT THE END OF EACH YEAR, 1913-1923.

(1913 = 100)

Country		1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	Corrected percentages			
													1920	1921	1922	1923
Greece	Sight [7]	100	68	72	82	201	315	441	486	548	650	947	—	—	—	—
	Time	100	82	69	65	69	93	106	162	235	184	277	—	—	—	—
	Total	100	74	71	75	144	218	295	345	412	447	655	—	—	—	—
	Savings	100	68	68	74	106	171	240	270	372	386	608	—	—	—	—
Italy [8]	A. Current accounts	100	106	126	209	347	476	815	1065	1180	1188	1066	163	198	205	185
	A. Deposits	100	75	63	100	147	236	298	391	417	368	382	60	70	63	66
	A. Total	100	94	101	165	266	379	607	794	873	858	790	121	147	148	137
	B. Current accounts	100	106	131	228	382	562	956	1263	1368	—	966	193	230	—	167
	B. Deposits	100	78	69	109	166	282	366	461	477	—	331	70	80	—	57
	B. Total	100	94	106	180	294	448	715	936	1004	—	711	143	169	—	123
	Savings	100	97	97	110	131	169	227	282	333	369	401	43	56	64	69
	Prices	100	—	—	—	—	—	—	655	595	580	577	—	—	—	—
Netherlands	Sight	100	120	173	252	376	448	592	651	453	348	324	270	271	225	210
	Time	100	110	124	147	212	292	333	362	276	258	261	150	166	167	169
	Total	100	116	154	212	313	388	493	540	385	314	300	224	231	202	195
	Savings	100	97	99	109	119	131	148	154	162	171	175	64	97	110	114
	Prices	100	—	—	—	—	—	—	241	167	155	154	—	—	—	—
Norway	Sight	100	147	255	571	764	882	953	1103	902	733	723	297	335	333	296
	Time and savings	100	99	134	221	320	454	503	530	510	458	391	140	190	208	160
	Total [9]	100	105	150	260	379	503	559	602	565	498	440	160	210	226	181
	Savings	100	105	119	157	205	258	303	338	378	402	416	90	141	183	171
	Prices	100	—	—	—	—	—	—	377	269	220	244	—	—	—	—
Poland [10]	Sight	100	87	92	82	109	328	963	1939	11547	42563	3188*	—	20	12	2
	Time	100	93	83	80	80	113	130	535	2259	10795	555*	—	4	3	0.4
	Total [11]	100	109	104	91	98	147	421	1848	8606	37896	3453*	—	15	11	2
	Prices	100	—	—	—	—	—	—	—	57046	346353	142301*	—	—	—	—

† 000's omitted.

7 Current accounts and correspondents.

8 A. Deposits in three banks, excluding the Banca di Sconto. B. Four banks, including the Banca di Sconto.

9 Including foreign correspondents, excluding savings.

10 Former Russian territory only.

11 Including correspondents.

Table H (*continued*)

SHOWING THE PERCENTAGE MOVEMENTS OF DEPOSITS AT THE END OF EACH YEAR, 1913-1923.

(1913 = 100)

Country		1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	Corrected percentages 1920	1921	1922	1923
Portugal	Sight	100	123	161	195	254	410	818	797	1168	1497	1433	—	—	—	—
	Time	100	88	121	154	225	508	1088	2163	3992	5717	6663	—	—	—	—
	Total	100	117	154	188	250	439	870	1040	1668	2227	2339	—	—	—	—
Roumania	Total Commercial	100					199	584	1284	1869	2305	2028	—	—	—	—
Spain	Sight	—	—	(100	135	197	331	405	473	481	502	510)	(252	313	346	345)
	Time	—	—	(100	108	112	137	177	228	242	322	372)	(121	157	222	251)
	Total	—	—	(100	125	166	261	323	385	395	437	460)	(205	256	302	311)
	Savings [12]	—	—	(100	113	132	153	179	202	238	272	296)	(107	155	188	200)
	Prices	—	—	(100	—	—	—	—	188	154	145	148)	—	—	—	—
Sweden	Sight	100	124	161	278	370	539	610	562	489	466	429	184	260	286	268
	Time	100	102	108	121	154	214	239	256	254	219	191	84	135	135	119
	Total [9]	100	108	120	150	201	270	304	309	292	261	232	101	155	160	145
	Savings	100	104	114	131	156	192	216	227	233	235	241	75	124	144	151
	Prices	100	—	—	—	—	—	—	305	188	163	160	—	—	—	—
Switzerland	Sight [13]	100	104	130	162	202	238	264	271	245	228	233	112	138	130	127
	Time [13]	100	101	102	106	113	116	122	124	124	121	118	52	70	69	64
	Total [13]	100	102	111	125	142	156	169	173	164	156	156	72	93	89	85
	Savings	100	102	104	110	123	139	152	160	166	178	190	66	94	102	104
	Prices	—	100	—	—	—	—	—	241	177	175	183	—	—	—	—
United Kingdom	Total Commercial	100	109	119	138	163	196	224	238	241	225	220	90	143	144	135
	Savings	100	102	99	104	105	121	138	140	139	143	151	53	83	92	93
	Prices	100	—	—	—	—	—	—	264	168	156	163	—	—	—	—
British India [14]	Deposits A	100	88	95	116	155	189	246	269	282	251	226	150	157	143	126
	Deposits B	100	97	99	118	167	169	223	247	241	213	217	137	134	121	121
	Savings [15]	100	64	66	72	72	81	92	99	96	100	107	56	53	55	60
	Prices	100	—	—	—	—	—	—	180	180	176	179	—	—	—	—

[12] Post Office and private savings banks, excluding savings deposits in banks.
[9] Including foreign correspondents, excluding savings.
[13] Deposits in commercial and savings banks, excluding savings deposits.
[14] A. Deposits in all banks except the Imperial Bank. B. The same, plus the private deposits of the Imperial Bank.
[15] End of March of following year.

Table H *(continued)*

SHOWING THE PERCENTAGE MOVEMENTS OF DEPOSITS AT THE END OF EACH YEAR, 1913-1923.

(1913 = 100)

Country		1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	Corrected percentages 1920	1921	1922	1923
Japan	Sight	100	99	126	177	268	322	398	411	447	447	419	197	211	242	197
	Time	100	114	127	161	243	385	462	404	432	445	463	194	204	240	218
	Total [16]	100	107	124	167	251	351	424	425	457	461	449	204	216	249	211
	Savings	100	99	114	152	206	274	341	383	404	419	437	184	191	227	229
	Prices	100	—	—	—	—	—	—	208	212	185	213	—	—	—	—
Australia [17]	A. Sight	100	104	116	111	122	126	155	173	160	161	163	80	101	96	90
	A. Time	100	103	104	101	107	116	117	128	131	144	155	59	82	86	85
	A. Total	100	103	109	105	113	120	133	147	143	151	158	68	90	90	87
	B. Sight	100	106	127	149	149	189	189	192	181	188	193	89	114	112	106
	B. Time	100	103	105	106	111	126	127	141	142	154	168	65	89	92	93
	B. Total	100	104	115	124	128	153	154	163	159	168	179	75	100	100	99
	Savings	100	108	113	123	138	145	161	178	192	204	211	87	124	121	116
	Prices	100	—	—	—	—	—	—	216	159	168	181	—	—	—	—
New Zealand	Sight [18]	100	111	141	146	150	165	245	268	198	191	198	123	103	110	113
	Time [18]	100	102	113	126	131	137	148	157	157	168	176	72	82	96	101
	Total [18]	100	107	128	137	142	152	200	217	179	180	188	99	93	104	107
	Savings	100	111	129	148	169	193	222	250 [15]	252 [15]	260 [15]	[15] 271	120 [15]	140 [15]	149 [15]	151 [15]
	Prices [18]	100	—	—	—	—	—	—	219	192	174	175	—	—	—	—
South Africa [19]	Sight and savings [20]	100	113	130	149	176	217	314	282	238	225	230	150	181	172	175
	Time	100	109	119	121	140	161	208	217	207	184	149	115	158	140	114
	Total	100	111	125	135	158	190	262	250	222	205	190	133	170	156	145
	Savings	100	94	99	101	104	112	104	101	100	97	91	54	76	74	69
	Prices	100	—	—	—	—	—	—	188 [21]	[21] 131	[21] 131	[21] 131	—	—	—	—
Canada	Sight	100	92	111	120	149	187	185	172	142	141	147	79	94	92	95
	Time	100	106	115	135	159	153	182	207	199	189	189	95	132	124	123
	Total [4]	100	101	113	129	155	165	183	193	177	171	173	89	117	112	112
	Savings	100	98	100	105	101	105	102	104	99	96	104	48	65	63	68
	Prices	100	—	—	—	—	—	—	217	151	153	154	—	—	—	—

[4] Including foreign correspondents. [16] Including unclassified. [17] A. Deposits not bearing interest and deposits bearing interest in all banks except the Commonwealth Bank; averages of last quarter. B. Total of deposits in all banks including the Commonwealth Bank. [18] Averages of last quarter. [19] Deposits in and outside the Union. [20] Including a small amount of Government deposits. [21] January of the following year.

Table H (*continued*)

SHOWING THE PERCENTAGE MOVEMENTS OF DEPOSITS AT THE END OF EACH YEAR, 1913-1923.

(1913 = 100)

Country		1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	Corrected percentages 1920	1921	1922	1923
United States[22]	A. Sight	—	100	101	133	84	105	140	143	176	126	128	57	120	81	81
	A. Time	—	100	136	99	138	146	154	177	149	151	193	71	102	98	122
	A. Total .	—	100	107	129	163	171	230	276	213	236	247	110	146	152	156
	B. Total .	—	100	105	129	157	166	212	249	208	226	236	99	142	146	150
	Savings	—	100	100	113	114	122	117	119	160	160	182	47	110	103	115
	Prices	—	100	—	—	—	—	—	251	146	155	158	—	—	—	—
Argentine[23]	Total Commercial	100	80	92	108	131	187	194	227	214	218	214	—	—	—	—
	Savings [24]	100	108	146	144	154	209	253	287	310	344	349	—	—	—	—
Brazil [25]	A. Sight	100	83	111	142	185	300	314	327	442	549	626	—	—	—	—
	A. Time	100	109	115	145	148	175	289	359	313	389	239	—	—	—	—
	A. Total .	100	94	113	143	170	249	304	340	389	483	467	—	—	—	—
	B. Sight	100	82	93	121	149	223	252	283	442	576	617	—	—	—	—
	B. Time	100	103	108	138	141	198	282	347	493	555	504	—	—	—	—
	B. Total .	100	89	98	127	146	214	262	305	460	569	578	—	—	—	—
	Savings	100	87	87	99	105	125	141	152	161	187	200 [26]	—	—	—	—
Chile	Gold	100	113	108	141	198	389	318	334	244	185	203	—	—	—	—
	Paper: Sight . .	100	98	100	109	120	183	198	238	252	243	223	—	—	—	—
	» Time . .	100	93	111	120	124	139	208	190	211	249	275	—	—	—	—
	Total . .	100	95	105	114	122	163	202	216	233	246	247	—	—	—	—
	Savings	100	120	134	155	169	217	252	272	309	359	381 [27]	—	—	—	—
Ecuador	Sight	100	84	135	168	200	238	270	327	300	330	314	—	—	—	—
	Time	100	108	100	128	176	192	196	236	252	304	308	—	—	—	—
	Total . .	100	94	121	152	190	219	240	290	281	319	311	—	—	—	—
Peru	Sight	100	55	61	84	110	141	205	211	194	188	197	94	102	98	103
	Time	100	77	47	59	85	108	154	176	147	143	153	78	77	75	80
	Total . .	100	67	54	71	98	124	179	193	170	166	175	86	89	87	91
	Prices	100	—	—	—	—	—	—	225	190	191	192	—	—	—	—

[22] The figures under A refer to all banks other than national, those under B to all banks including national banks. The figures for savings refer to savings deposits in banks other than national and to Post Office savings. All the data (including prices) refer to June of each year.

[23] Deposits and savings deposits in all banks, including the private deposits of the Bank of the Nation.

[24] Total of deposits in the savings department of the Bank of the Nation and of Post Office savings deposits.

[25] Figures under A refer to all banks except the « Banco do Brazil », those under B to all banks, including the « Banco do Brazil ».

[26] End of November.

[27] January 31st, 1924.

Table H (*concluded*).

SHOWING THE PERCENTAGE MOVEMENTS OF DEPOSITS AT THE END OF EACH YEAR, 1913-1923.

(1913 = 100)

Country		1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	Corrected percentages			
													1920	1921	1922	1923
Uruguay [28]	Sight	100	99	124	157	205	250	350	290	267	249	268	—	—	—	—
	Time	100	73	67	84	106	123	175	198	242	214	178	—	—	—	—
	Total . .	100	86	94	119	154	184	260	243	254	231	222	—	—	—	—
	Savings	100	103	124	197	290	386	538	586	724	855	914	—	—	—	—
Venezuela	Total Commercial	100	91	74	87	88	100	118	158	138	142	143	—	—	—	—

[28] Including the private deposits in the Bank of the Republic.

The countries are arranged by continental groups in alphabetical order.

The sight deposits in the British Dominions and the majority of the South American countries — Ecuador is an exception — increased during the year 1923. In the majority of the industrial countries of the world, on the other hand, there was a fall in at any rate real purchasing power. In Germany and Poland, the last stages of inflation had drained the deposit reservoir practically dry. In Italy, the Netherlands and Sweden, there was a fall both in total deposits and in prices. In Denmark, Norway and Japan, in spite of rising prices, deposits decreased. In Belgium and France, though the nominal value of the deposits increased, there was a considerable falling-off in their total purchasing power. Indeed, of the countries of industrial importance, only the United States of America showed an augmentation during the year 1923 both in the nominal and in the real value of deposits, while the figures for Canada remained unchanged.

In previous editions of the *Memorandum on Currency* special emphasis has been laid on the care which is required in interpreting deposit statistics. Not only are the statistics themselves often defective and more frequently incomparable, but deposits are in any case of mixed composition and attention has to be paid not simply to the changes which take place in sight, time or total deposits but in the variations in the ratio of sight to time. A fall in prices or depression in industry may be accompanied for a while by increasing time and decreasing sight deposits, though the contraction in the latter will not be immediate. On the one hand these deposits, which consist of advances to industry, frequently cannot be reduced automatically as the loans fall due without serious consequences and have to be held for various periods in a more or less frozen condition with the result that the velocity and not the volume of credit money is reduced. On the other hand, those deposits which are composed of accumulating savings would be favourably affected by the disinclination of investors to buy shares and of business to float new issues on a falling market. Further, in so far as savings were not eaten up, there would be a tendency to transfer deposits from current to deposit account as business declined. The relative movements of deposit and current accounts are thus of particular importance. It may be expected that the more slowly savings balances decrease compared with any given contraction in credit the more rapid will be the fall in prices, and reciprocally, the less rapidly they increase for any given increase in credit the more rapid will be the rise in prices. In other words, if, during a period of credit restriction, saving, in the form of deposits, continues or existing savings are conserved and not consumed, with the result that the demand for consumption commodities is not supported by the population trying to maintain its previous rate of

consumption for a time by living on its past earnings, prices will fall rapidly.

The movement of sight deposits may be taken in the majority of cases as a fair index of the movements of credit and that of time deposits of accumulated or accumulating but unspent purchasing power. In Table J (see following page), therefore, the quarterly movements of sight and time deposits are shown for all those countries for which data are available for the period December 31st, 1919, to December 31st, 1924, as percentages of the amounts on the first of these two dates.

In studying this table, reference should be made to the remarks contained in the opening paragraphs of this section and also to the detailed notes on Tables VI and VII (Vol. II), as the distinction between current and deposit accounts varies appreciably from country to country.

As explained above, it is necessary to take into consideration not only the changes in the sight, time and total deposits but also in the ratio of sight to time deposits, which affords a rough measure of the changes in the velocity of the turnover of total deposits. Thus the steady decline in prices in Finland after the third quarter of 1921, during 1922 and to a lesser extent during the first three quarters of 1923, was accompanied by a constant increase in the proportion of total deposits represented by time accounts. A similar movement can be traced in Czechoslovakia during the years 1921 and 1922, while in 1923 both prices and the ratio of time deposits to current accounts remained relatively stable. In the case of Finland, the figures for sight deposits at the end of the year show occasionally abnormal oscillations, which are naturally still more violent in the clearing figures given in the next section.

In the United States net demand deposits outside New York City in member banks which sent in reports rose from just over 10 milliard dollars at the end of 1923 to over 11 milliards at the end of 1924, or by approximately one milliard, and those in New York by about the same amount.

In this country, where much care has been devoted to currency and banking statistics and where the banks themselves have frequently taken the initiative, a special study was made by the Reports Department of the Federal Reserve Bank of New York, the results of which were published in May 1923, into the velocity of bank deposits based mainly on weekly returns received from 800 member banks of debits to individual accounts and net demand deposits. This investigation resulted in a tentative estimate of the rate of turnover of all deposits in the United States at between 25 and 35 times a year. But the rate for time deposits was believed to be only about twice a year. The enquiry is of particular interest owing to the light it throws upon the defectiveness of the statistics of those countries which make no distinction between the sight and time accounts.

In the diagrams given below for Norway, Sweden and Japan, the changes in the total deposits, sight deposits, note circulation and prices during the last five years are shown, the figures for the end of 1919 being taken as 100:

Diagram No. 7.

Sight Deposits, Total Deposits, Notes in Circulation, Prices.

Norway. (End of 1919 = 100).

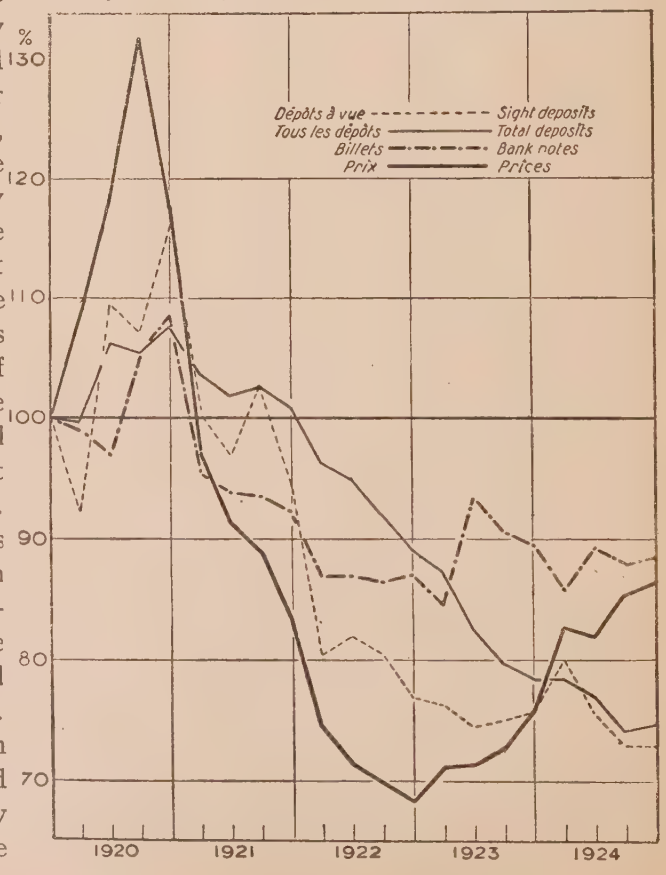


TABLE J

SHOWING QUARTERLY PERCENTAGE MOVEMENTS OF DEPOSITS FOR THE YEARS 1920-1924.

(End of December 1919 = 100)

Country		1919	1920				1921				1922				1923				1924			
		XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Czecho-slovakia	Sight . .	—	—	—	—	—	—	—	—	(100)	(108)	(110)	(117)	(113)	(110)	(108)	(110)	(103)	(103)	(91)	(90)	(94)
	Time . .	—	—	—	—	—	—	—	—	(100)	(112)	(122)	(130)	(135)	(134)	(130)	(134)	(137)	(139)	(130)	(145)	(154)
	Total.	—	—	—	—	—	—	—	—	(100)	(109)	(114)	(122)	(121)	(119)	(116)	(119)	(115)	(116)	(108)	(110)	(116)
	Savings .	—	—	—	—	—	—	—	—	(100)	(107)	(110)	(113)	(119)	(126)	(133)	(138)	(143)	(148)	(149)	(151)	(155)
	Prices. .	—	—	—	—	—	—	—	—	(100)	(89)	(87)	(63)	(60)	(61)	(57)	(58)	(59)	(61)	(58)	(60)	(63)
Denmark	Sight . .	—	—	—	—	—	—	—	—	(100)	(94)	(95)	(92)	(87)	(86)	(86)	(86)	(86)	(83)	(79)	(69)	(67)
	Time . .	—	—	—	—	—	—	—	—	(100)	(102)	(98)	(97)	(91)	(89)	(89)	(90)	(86)	(86)	(85)	(79)	(78)
	Total [1].	—	—	—	—	—	—	—	—	(100)	(97)	(96)	(94)	(89)	(89)	(89)	(89)	(88)	(88)	(85)	(76)	(77)
	Prices. .	—	—	—	—	—	—	—	—	(100)	(101)	(102)	(99)	(102)	(113)	(117)	(116)	(119)	(129)	(124)	(132)	(132)
Esthonia [2]	Dep. A .	100	—	225	—	627	—	567	—	845	934	1261	1418	1598	1542	1811	1624	1724	1649	1976		
	Dep. B .	100	—	—	—	—	—	—	—	838	929	1226	1403	1691	1942	2249	1911	2059	1949	2346		
Finland	Sight . .	100	101	116	131	125	141	148	142	116	136	138	140	127	148	154	148	125	149	148	145	133
	Time . .	100	106	106	107	107	109	114	112	112	114	117	115	122	129	138	135	134	140	145	142	143
	Total [1].	100	104	108	113	116	117	132	133	123	126	130	129	131	143	147	140	134	138	139	133	131
	Savings .	100	103	105	105	110	117	121	122	129	134	138	139	148	153	156	160	166	173	178	178	178
	Prices. .	100	95	104	121	130	112	116	127	120	116	114	114	107	103	102	101	102	102	101	104	106
France	Sight . .	100	—	—	—	110	—	—	—	107	—	—	—	115	—	—	—	124	—	—	—	123
	Time . .	100	—	—	—	111	—	—	—	107	—	—	—	96	—	—	—	109	—	—	—	119
	Total .	100	—	—	—	110	—	—	—	107	—	—	—	114	—	—	—	124	—	—	—	122
	Savings .	100	—	—	—	113	—	—	—	132	—	—	—	149	—	—	—	158	—	—	—	164
	Prices. .	100	—	—	—	103	—	—	—	77	—	—	—	86	—	—	—	109	—	—	—	120
Italy	Sight [3] .	100	117	123	130	130	141	142	147	145	136	141	142	146	147	150	148	131	139	143	145	151
	Time [3] .	100	102	111	120	131	142	147	149	140	117	120	121	123	127	129	129	128	133	138	141	143
	Total [3].	100	114	120	128	130	141	143	147	144	132	137	137	142	143	146	144	130	138	142	144	149
	Savings .	100	101	109	114	124	134	140	143	146	151	155	158	162	168	168	171	176	182	186	190	194
	Prices. .	100	132	138	143	143	132	111	127	130	117	118	127	127	128	124	124	126	127	124	127	140

1 Including foreign correspondents.
2 A. Deposits in all commercial banks, excluding the Bank of Esthonia; B. Including the private deposits of the Bank of Esthonia.
3 Three banks

Table J *(continued)*

SHOWING QUARTERLY PERCENTAGE MOVEMENTS OF DEPOSITS FOR THE YEARS 1920-1924.

(End of December 1919 = 100)

Country		1919	1920				1921				1922				1923				1924			
		XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Lithuania	Sight . .	—	—	—	—	—	—	—	—	—	—	—	—	(100)	(100)	(149)	(222)	(280)	(222)	(275)	(349)	(447)
	Time . .	—	—	—	—	—	—	—	—	—	—	—	—	(100)	(175)	(325)	(175)	(575)	(300)	(600)	(1325)	(4675)
	Total .	—	—	—	—	—	—	—	—	—	—	—	—	(100)	(92)	(109)	(136)	(190)	(165)	(179)	(194)	(329)
Norway	Sight . .	100	92	109	107	116	100	97	103	95	80	82	81	77	76	74	75	76	80	76	73	73
	Time . .	100	101	103	102	105	103	101	100	101	98	96	94	91	89	83	80	78	76	75	73	74
	Total .	100	100	106	105	108	104	102	103	101	96	95	92	89	87	83	80	79	79	77	74	75
	Savings .	100	103	103	105	112	115	116	119	126	128	128	129	135	135	135	136	140	138	136	135	140
	Prices. .	100	109	119	132	117	97	91	89	84	75	71	70	68	71	71	73	76	83	82	85	86
Poland	Sight . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(100)	181)	(352)	(420)
	Time . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(100)	(412)	(818)	(976)
	Total .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(100)	(207)	(405)	(484)
	Prices. .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(100)	(91)	(102)	(107)
Sweden	Sight . .	100	100	100	97	92	92	89	88	80	84	80	83	76	77	76	78	70	71	67	70	63
	Time . .	100	101	103	105	107	111	111	110	106	105	102	96	92	89	85	82	80	79	78	77	76
	Total .	100	101	103	103	102	105	102	101	96	97	93	90	86	85	81	80	76	76	74	74	72
	Savings [4]	100	104	103	102	100	105	104	102	97	99	96	94	90	92	90	89	86	91	91	92	90
	Prices. .	100	105	108	106	88	71	64	58	54	51	50	49	47	48	47	47	46	47	46	47	48
Japan	Sight . .	100	99	97	93	102	91	98	94	101	88	92	85	91	87	95	90	106	97	103	94	
	Time . .	100	101	96	84	83	92	93	95	93	91	90	93	93	94	100	92	96	97	99	103	
	Total [5] .	100	101	98	93	97	98	103	102	103	99	100	99	101	98	101	91	100	98	101	101	103
	Savings .	100	102	106	112	112	115	118	121	119	109	118	122	123	127	138	[6]	143	143	147	149	
	Prices. .	100	111	86	80	71	66	66	71	72	69	68	67	63	68	68	73	73	71	69	71	74

[4] Total of savings in banks and of post-office savings.
[5] Including unclassified and other deposits.
[6] Owing to the earthquake no figures are available.

Table J *(continued).*

SHOWING QUARTERLY PERCENTAGE MOVEMENTS OF DEPOSITS FOR THE YEARS 1920-1924.

(End of December 1919 = 100)

Country		1919	1920				1921				1922				1923				1924			
		XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Australia [7]	A. Sight .	100	112	117	113	112	113	112	104	103	110	107	103	104	111	112	103	105	114	109	101	105
	A. Time .	100	100	103	111	109	112	112	114	112	113	118	121	123	126	132	133	132	136	133	135	136
	A. Total.	100	106	110	112	111	112	112	109	107	112	113	112	114	119	122	118	119	125	121	118	120
	B. Sight .	100	107	110	104	101	103	103	98	96	100	102	99	99	102	104	100	102	107	107	97	101
	B. Time .	100	102	106	113	111	112	114	116	112	112	118	120	122	128	135	135	133	136	129	129	130
	B. Total.	100	105	108	108	106	107	108	106	103	106	110	109	110	114	119	117	116	120	117	112	115
	Savings .	100	100	105	108	111	112	118	118	119	120	126	126	126	127	133	131	131	130	137	136	133
	Prices. .	100	104	114	118	105	96	84	81	77	74	77	79	81	82	87	89	87	87	84	82	83
New Zealand	Sight [8] .	100	116	128	121	110	102	97	89	81	80	83	81	78	88	94	86	81	94	94	84	82
	Time [8] .	100	103	105	107	106	106	105	107	106	105	105	113	114	110	112	117	119	120	125	128	128
	Total [8].	100	111	120	116	109	104	100	95	90	89	91	92	90	95	100	96	94	103	104	99	98
	Saving .	100	102	105	107	107	113	114	113	111	114	113	113	112	116	117	116	116	120	120	118	117
	Prices [8] .	100	108	114	119	119	115	110	107	104	99	96	96	95	94	95	95	95	97	97	98	98
South Africa	Sight [9] .	100	100	89	83	81	77	72	69	68	67	64	62	67	67	66	64	71	69	67	65	69
	Time [9] .	100	104	105	100	99	97	96	96	96	91	89	88	84	76	73	70	67	66	66	64	64
	Total [9].	100	102	96	91	89	86	83	81	80	77	75	74	74	71	69	67	70	68	66	64	67
	Savings	100	102	101	102	101	103	105	105	104	102	101	103	102	99	98	98	97	98	98	99	99
	Prices [10].	100	104	108	104	88	77	70	64	61	59	59	60	61	59	58	58	61	59	58	62	61
Canada	Sight . .	100	93	94	96	93	80	80	76	77	69	72	70	77	70	76	74	80	70	75	71	85
	Time . .	100	105	109	112	114	116	115	111	109	108	104	102	104	107	107	104	104	105	104	104	109
	Total .	100	101	104	107	105	102	102	98	97	94	92	89	94	93	95	93	94	92	93	91	99
	Savings .	100	102	101	101	102	105	101	100	99	99	97	96	96	97	98	100	101	106	105	104	105
	Prices. .	100	108	114	110	97	83	74	72	67	69	68	66	69	70	70	69	69	69	68	69	72

7 A. Deposits not bearing interest, deposits bearing interest and total deposits in all banks, excluding the Commonwealth Bank. This bank is, however, included under B. All the figures except savings represent quarterly averages.

8 Quarterly averages.

9 Deposits in the Union only.

10 January, April, July, October.

Table J *(concluded)*

SHOWING QUARTERLY PERCENTAGE MOVEMENTS OF DEPOSITS FOR THE YEARS 1920-1924.

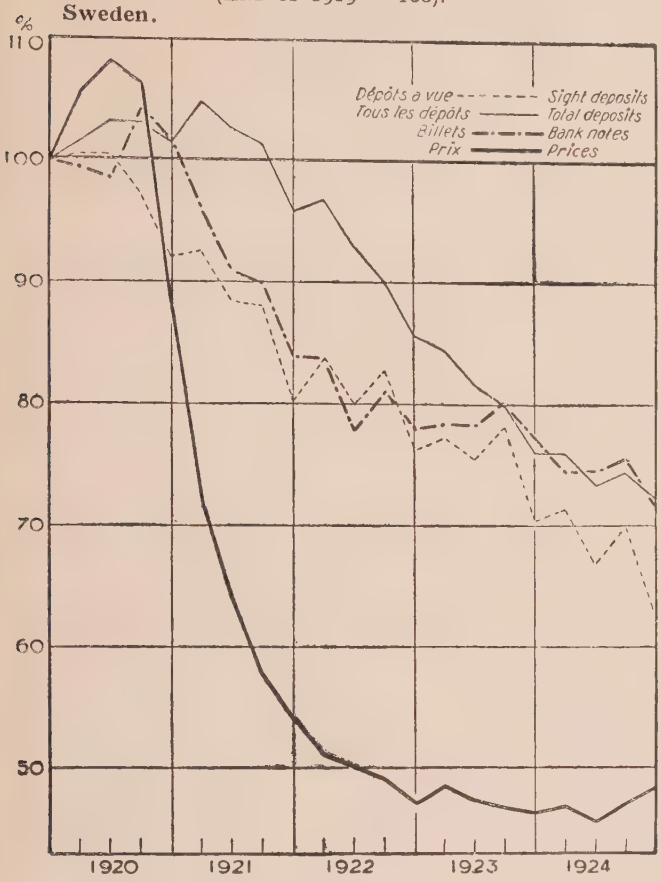
(End of December 1919 = 100)

Country		1919	1920				1921				1922				1923				1924			
		XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
United States [1]	A Sight .	100	104	103	101	98	92	90	88	91	92	100	99	103	99	99	97	99	101	107	115	119
	A. Time .	100	112	117	121	124	127	127	127	130	136	147	155	163	172	174	175	177	184	192	203	211
	A. Total.	100	105	105	104	102	98	96	95	98	100	108	109	113	112	112	111	112	115	122	130	134
	B. Total.	—	—	(100)	—	—	—	(83)	—	—	—	(91)	—	—	—	(95)	—	—	—	—	—	—
	Savings .	100	99	98	100	101	100	94	94	91	89	86	84	82	82	82	83	83	83	83	83	83
	Prices. .	100	105	109	101	80	70	64	63	63	64	67	69	70	71	69	69	68	67	65	67	70
Ecuador	Sight . .	100	108	101	118	121	102	101	110	111	142	129	116	122	124	136	132	116	124	107	99	115
	Time . .	100	116	110	122	120	135	131	127	129	151	139	159	155	155	145	149	157	163	196	176	163
	Total .	100	111	104	119	121	113	111	115	117	145	132	130	133	134	139	138	130	137	136	124	131
Peru	Sight . .	100		122		103		90		95	94	98	83	92	88	89	89	96	100	115	105	114
	Time . .	100		113		114		103		95	91	91	90	93	93	94	95	99	102	104	104	115
	Total .	100		118		108		96		95	93	95	86	92	90	91	92	98	100	110	105	114
	Prices. .	100	105	107	104	98	91	88	89	83	83	83	83	83	82	83	81	84	84	83	83	85
Salvador	Sight . .	100	—	86	—	42	—	41	—	81	—	77	—	99	—	73	—	89	—	41	—	109
	Time . .	100	—	212	—	153	—	153	—	252	—	85	—	72	—	147	—	69	—	234	—	238
	Total .	100	—	90	—	45	—	44	—	86	—	77	—	98	—	75	—	88	—	46	—	112
Uruguay [2]	Sight . .	100		121		89	95	83	93	85	87	79	81	81	76	85	80	83	82	75		74
	Time . .	100		109		113	126	139	140	140	136	134	136	136	136	131	129	125	123	123		116
	Total .	100		116		98	107	105	112	107	106	101	103	103	100	103	100	100	98	94		91

[1] A. Deposits in Member Banks of Federal Reserve System in certain leading cities; B. All reporting banks. The figures of savings refer to the Post Office savings system.

[2] Including the private deposits of the Banco de la Republica.

DIAGRAM No 8.
SIGHT DEPOSITS, TOTAL DEPOSITS, NOTES IN CIRCULATION, PRICES.
(END OF 1919 = 100).



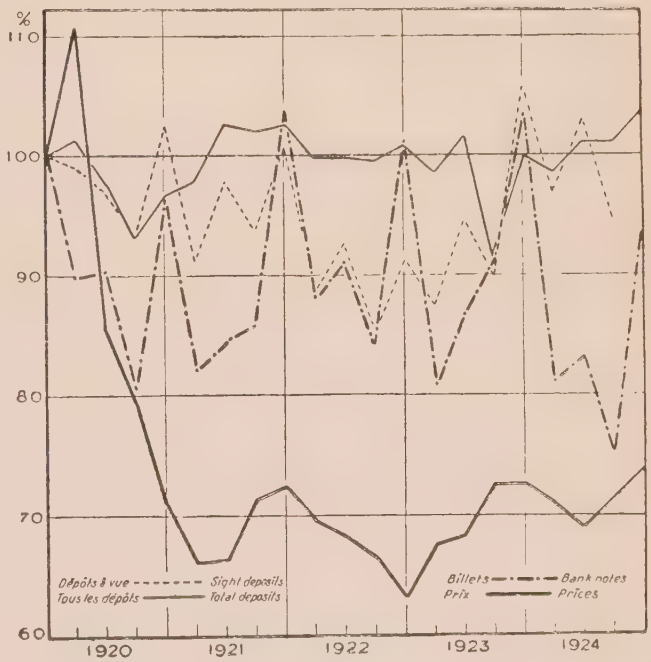
The diagrams show that changes in the velocity of the circulation of deposit money indicated by the relative movements of the total and the sight deposit curves normally affect the total note circulation to a greater extent than the total volume of deposits. This is to be expected because, if, for instance, that velocity increases, the reserves of the commercial banks are drawn on more rapidly, and the banks will be forced to discount to a greater extent at the central bank.

The diagram of the movements in Japan is of interest as illustrating at the same time the very acute seasonal fluctuations to which allusion has already been made.

An examination of Table J as a whole will show that in 1923 and 1924 time deposits grew relatively to sight deposits. This tendency manifested itself either by an actual increase in time deposits and a fall in sight deposits or by a greater increase in the former than in the latter. When there was a diminution of both accounts, this diminution was generally greater for sight than for time deposits.

This change in the ratio of sight to time deposits is to some extent a restoration of the normal balance, for, as is illustrated in Table H, deposit accounts shrank much more rapidly during the period of inflation succeeding the armistice than did current accounts.

DIAGRAM No 9.
SIGHT DEPOSITS, TOTAL DEPOSITS, NOTES IN CIRCULATION, PRICES.
Japan. (END OF 1919 = 100).



IV. DEPOSITS AND CLEARINGS.

In Table X of the present volume are given statistics of bank clearings for a number of countries. The extent to which cheques or similar orders to pay are utilised as media of exchange varies greatly from country to country. The significance of the clearing statistics is therefore by no means equal for all countries and the absolute figures cannot be compared. Frequently the post office cheque and clearing system is of very considerable

importance. In certain countries it has been greatly developed since the war, in several cases as a result of the "currency famine" created by inflation, it being sometimes assumed that the increased velocity of circulation thus achieved would not have the same influence on prices as an augmentation in its amount, sometimes hoped, with more reason, that the machinery thus organised would act to some extent as a compensation for the inconveniences which inflation had entrained. The statistics of these post-office clearings are, however, not given in Table X. They differ in one important respect from those published inasmuch as a very considerable proportion of the sums cleared in certain countries involves the use of notes in addition to the postal cheques, notes being paid over the counter for cheques by debtors not themselves possessing, or possessing but not wishing to draw upon, their own Post Office accounts. Thus the clearing figures neither indicate the rapidity of the circulation of deposit money nor the economy effected in other forms of currency.

Another difficulty involved in the use of clearings statistics arises owing to the rapid improvement in the organisation of clearings and the popularisation of the bank-cheque system in recent years.

The figures tend, therefore, to represent not simply the changes in the velocity of the turnover of deposits or an increase of deposits as such but, in addition, the development of this piece of monetary machinery.

For the English-speaking and, to a somewhat lesser extent, the Scandinavian countries, the clearings statistics do, however, constitute an important index of the changes in the actual volume of transactions and, taken in conjunction with the deposit figures, some measure of the velocity of the circulation of deposit currency. In Table K (see following page) the quarterly clearings for certain of these countries are shown as percentages of the clearings of the year 1920. The quarterly price movements on the same base are likewise shown in parallel columns.

For the United States of America, clearings are given in three, and for the United Kingdom in four separate columns. For the United Kingdom, the town clearings are largely influenced by Stock Exchange transactions, the flotation of loans, and financial operations as distinguished from industrial; the Metropolitan clearings reflect mainly the Metropolitan retail business and the country clearings the state of general trade within the country. Similarly, the New York clearings reflect rather financial than business conditions.

The movement of the country clearings in the United Kingdom and clearings outside New York are no doubt more comparable with the price indices than are the other clearing figures in the table, not because they indicate more clearly the demand for or utilisation of money but because the index numbers do not take into consideration any monetary transactions other than the sale of goods. This deficiency in index numbers is of considerably greater importance now than it was before the war, for with the increase in Government debt and the consequent increase in monetary transactions arising from the collection of increased taxes and payment of interest, the percentage which the demand for money arising from the turnover of merchandise represents of the total demand for money is necessarily smaller than it was. Further, it tends to become still smaller in proportion as the prices of commodities fall more rapidly than debt is cancelled.

For this reason, amongst others, some of which have been already indicated, it is to be expected that the percentage reduction in prices will exceed the percentage reduction in the various media of circulation or in the clearing figures which reflect at once the changes in the volume and the velocity of deposit money.

The tendency in recent years towards bank amalgamations has rendered all clearing figures somewhat unreliable as indices of actual currency movements or as barometers of trade conditions; for these figures show only inter-bank and exclude intra-bank transactions.

For this reason the Canadian Bankers Association at its annual meeting on November 8th, 1923, resolved "that the banks should agree to compile monthly the total amount of debits passed to accounts (including savings accounts) of all customers at points in Canada where there

TABLE K

SHOWING THE QUARTERLY PERCENTAGE MOVEMENTS OF CLEARINGS AND PRICES 1920-1924.

(Average of 1920 = 100.)

Country		1920				1921				1922				1923				1924			
		1st q.	2nd q.	3rd q.	4th q.	1st q.	2nd q.	3rd q.	4th q.	1st q.	2nd q.	3rd q.	4th q.	1st q.	2nd q.	3rd q.	4th q.	1st q.	2nd q.	3rd q.	4th q.
United States	New York	105	102	93	100	82	79	74	84	84	96	86	92	93	92	76	91	96	100	100	115
	117 cities	102	102	98	98	79	75	74	81	75	82	83	94	99	103	94	106	101	99	100	112
	Total clearings	103	102	95	99	81	78	74	83	80	90	85	93	95	97	84	98	98	100	100	113
	Prices	104	108	100	79	69	63	62	62	63	66	68	69	70	68	68	67	66	64	66	69
United Kingdom	Town	106	101	94	99	91	90	88	100	104	103	94	99	107	92	89	105	109	108	100	110
	Metropolitan	108	102	95	96	87	78	74	78	76	75	73	77	78	69	71	77	76	76	75	79
	Country	106	100	98	97	83	72	67	73	69	69	67	71	72	66	66	72	70	71	70	74
	Total clearings	106	101	94	99	90	87	85	96	98	98	90	94	102	88	86	100	103	102	95	104
	Prices	104	105	101	86	69	64	61	55	52	52	50	51	52	52	51	53	54	53	54	55
Canada	Clearings	92	97	95	115	82	88	79	95	76	79	73	92	71	82	76	114	76	78	80	102
	Prices	99	105	101	89	76	68	66	62	63	63	61	63	64	64	63	63	63	63	63	66
Japan	Clearings	133	107	77	83	7	89	95	108	92	100	96	100	92	107	[1]	88	89	101	98	113
	Prices	124	95	89	79	74	74	80	81	77	76	74	70	75	76	81	81	79	77	80	82
Sweden	Clearings	92	97	100	111	86	73	69	74	63	58	53	61	51	50	46	55	49	51	50	56
	Prices	102	104	103	85	69	62	56	52	49	48	47	45	47	46	45	45	45	44	45	47
Norway	Clearings	95	93	99	113	79	74	90	86	84	80	71	75	67	56	59	68	64	66	64	74
	Prices	92	100	111	99	82	77	75	70	63	60	59	58	60	60	61	64	70	69	72	73

[1] Owing to the earthquake, no complete figures are available.

are clearing houses." These Canadian figures, similar to those collected in the United States of America referred to above, should prove of particular value as the number of Chartered Banks tends to decrease. In the following three diagrams the movements of the debits to individual accounts are shown together with those of the clearing-house transactions in Canada, New York City and banks in the United States of America outside New York.

The debits to individual accounts give the total business transacted at the various centres. They vary from the bank clearings as the number of independent banks vary, and independently of this factor as the proportion of inter-bank business to total business changes.

DIAGRAM No. 10.

CLEARINGS AND BANK DEBITS IN CANADA AND U. S. A.

$ (000,000,000's OMITTED.)

Canada.

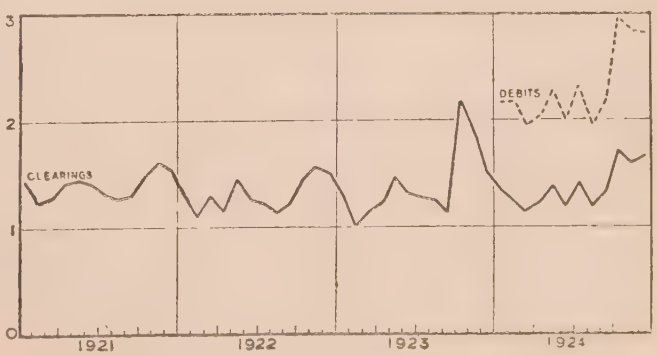


DIAGRAM No. 11.

New York.

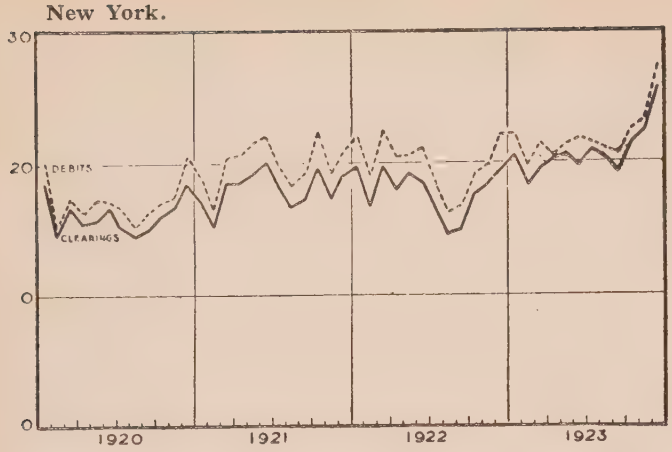
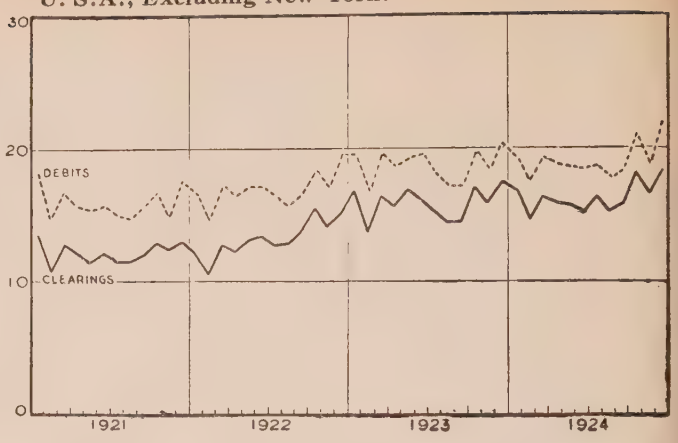


DIAGRAM No. 12.

U. S.A., Excluding New York.



V. DISCOUNT RATES.

In Table II are given the official discount rates for nearly all the countries of the world for which such quotations are available. In examining the figures it must be remembered that they are not in all cases comparable. Thus the New York re-discount rate is normally below the market rates and the Bank of England rate normally above them.

In a number of countries in which the central bank performs at the same time the functions of an ordinary commercial bank, such as Bulgaria, Esthonia and to some extent Latvia, the rates refer rather to discounts than to re-discounts. Very frequently the official rates are of much less importance than before the war and give little or no indication of the real cost of money, credit being controlled less by price than by means of directly expanding or contracting the supply. It is necessary, therefore, in so far as possible, to supplement these rates by those ruling in the open market. This post-war system is, it is true, being gradually abandoned in a number of countries in favour of a more active discount rate policy on the part of the central banks, certain of which have taken active measures to reassert their influence over the market. But, taken as a whole, the table of official rates gives a misleading picture of the real monetary situation and fails almost completely to indicate the most striking phenomenon of present-day conditions, namely the extent to which capital markets are insulated.

The countries in which no changes have been made in the official rates during 1924 fall roughly into two groups, namely those such as Portugal, Roumania, the Kingdom of the Serbs, Croats and Slovenes and Japan, in which an active discount rate policy is deliberately not enforced, and those such as the United Kingdom, Sweden and Switzerland whose return to parity with gold happened to necessitate no modification of rates owing to the continued fall of those ruling in the United States of America. The reductions in the New York rates from 4½ per cent in March to 4 per cent in April, to 3 ½ per cent in June, and to 3 per in August, were therefore of great international importance. The easy money conditions obtaining in the United States were the natural result of the continual influx of gold, the net import of which amounted to over $258 millions during the course of the year, and the continual consequent reduction of the indebtedness of the members of the Federal Reserve system to the Federal Reserve Banks. This indebtedness fell from $575 millions at the end of 1923 to $155 millions at the end of 1924. The lowest figure reached was that at the end of October 1924, namely $65,000,000. On the other hand, the net demand deposits of the member banks, as shown in an earlier section, increased between June and December 1924 by 12 per cent. In the last few years the Federal Reserve Banks have developed the system of open-market operations, more especially purchase and sale of securities as a "valuable adjunct to discount policy . . . . capable of exerting an important and useful influence on credit

conditions." At the end of 1924 their holdings of U.S. Government securities amounted to $540 millions compared with $134 millions at the end of 1923 and $436 millions at the end of 1922.

At the end of 1924 there was a slight reaction in rates, the lowest monthly average rate (3.12 per cent) charged by the Reserve Banks for 4–6 months' bills being reached in September.

With these low rates obtaining in the United States, European countries were able to improve the value of their currencies without any change in their official rates, and open-market rates fell in Holland as low as $2\,^{1}/_{4}$–$3\,^{1}/_{2}$ per cent in August, in Switzerland to $3\,^{1}/_{8}$ per cent in June and, after a slight rise, again in December. In the United Kingdom they were $2\,^{15}/_{16}$ – $3\,^{1}/_{16}$ per cent in May, while Treasury bills touched £2 18*s.* 2.94*d.* in the first week of April and £2 18*s.* 11.3*d.* in the first week of May.

By the beginning of 1924, the extreme inflation rates, such as 90 per cent in Germany and 72 per cent in Poland, which represented not the interest payable on money so much as a generally inadequate anticipation of that money's probable depreciation during the period of the credit, had been replaced by stable value rates, in Germany of 10 per cent, in Poland of first 9 per cent and then 12 per cent. In all the countries of Central and Eastern Europe, however, the open-market rates were greatly in excess of those of the Central Banks. Thus, in Poland and Roumania they touched 5 per cent per month, in Austria, at the beginning of 1924, they ruled between 24 per cent and 30 per cent per annum, in the Kingdom of the Serbs, Croats and Slovenes about 30 per cent, in Bulgaria 30–40 per cent. Owing to the disorganisation of the money markets caused by inflation, no exact quotations existed, and the price of credit varied, and varies, within very wide limits. They are sufficiently accurate, however, to indicate the very wide divergence which existed between the cost of accommodation in countries whose currencies had never greatly depreciated and elsewhere.

That these high rates have remained in force for so long must be attributed in part to the great discrepancy between the interest allowed on deposits and that demanded for loans. Thus the deposit rate in Austria in the spring of 1924 stood at 9 per cent, when the open-market discount rate was 24 to 30 per cent. In Roumania 7-8 per cent was offered per annum against up to 5 per cent per month demanded. As a result, such savings as were made tended to drift into other channels, and what had previously been the main reservoir of credit was drained to a low level.

The changes in the market rates in Germany afford an interesting illustration of another side of the problem.

FRANKFÜRT MARKET RATES

(Per cent per month)

1924			Day-to-day money	Monthly rates	
				"Stable values"	Marks
January	1st	decade	6.56	—	23.70
	2nd	»	3.38	—	10.20
	3rd	»	1.43	—	3.45
February	1st	»	1.58	—	3.80
	2nd	»	1.46	1.75	4.13
	3rd	»	2.02	1.82	4.09
March	1st	»	2.70	2.20	3.86
	2nd	»	2.84	2.50	4.00
	3rd	»	1.57	3.81	4.10
April	1st	»	2.91	3.66	5.01
	2nd	»	2.25	4.00	5.38
	3rd	»	4.35	5.06	6.01
May	1st	»	3.96	5.55	6.30
	2nd	»	0.94	3.50	
	3rd	»	1.04	2.35	
June	1st	»	1.04	2.90	
July	1st	»	0.94	1.90	
August	1st	»	0.84	1.25	
Sept.	1st	»	0.77	1.05	
October	1st	»	0.88	1.05	
November	1st	»	0.88	1.01	
December	1st	»	0.75	0.99	

The great discrepancy of 17 points which existed in the first ten days of January between the day-to-day and the monthly rates affords a measure of the extent to which the charges made represented a premium against risk. The importance of this risk element — the degree of distrust in which the stabilised currency was still held in the early months of 1924 — is further brought out by the differences between the rates for mark and "stable value" advances. The day-to-day and monthly mark rates constitute an extreme example of the central difficulty in the situation, namely, the difficulty of mating the short-term offerings to the long-term demand. Thus, while short-term

credit (up to three months) was obtainable from countries which have not suffered from the more extreme forms of inflation at rates 50 per cent or more lower than those ruling generally in Central and Eastern Europe, the manufacturer in very many cases dared not run the risk of a possible inability to renew.

During the course of the year 1924 appreciable changes took place in the relative strength of the various money markets under consideration. In Germany, market rates on monthly loans, which had been as high as 23.7 per cent per month in January, had fallen by December to 11 per cent per annum as a result of the large imports of foreign and re-imports of domestic capital, and in Danzig the official discount rate was lowered in September from 12 to 10 per cent and again to 9 per cent on March 6th, 1925. In Austria steps were taken in June, and more especially August, to increase the control of the National Bank, the discount being raised in the first instance to 12 and later to 15 per cent. On the occasion of the second increase, an arrangement was come to with the Commercial Banks under which they raised their deposit rates for sight deposits from 9 to 12 per cent and arranged to give 13 per cent, 14 per cent and 15 per cent for crown deposit accounts of one, two and three months respectively. The first increase, however, was not made until after the National Bank, as a result of the difficulties caused by the collapse of the Stock Exchange boom and the franc speculation, had lost nearly 30 per cent of its reserve.

By November the reserve, if "Kostdevisen"[1] be included, of the Austrian National Bank had been restored to practically the same level as before the crisis, and the official discount rate was reduced to 13 per cent. In April 1925 it was reduced again to 11 per cent. Market rates also sank during the autumn of 1924 and spring of 1925, the rate for advances being reduced in March, *i.e.*, before the second reduction of the official discount rate, from 18 1/4 to 16 1/4 per cent and deposit rates to 8 per cent for sight deposits, to 9 per cent for deposits of one month and to 10 per cent for two months and more. At the same time the banks reduced the commission charged to their clients. At the end of October 1924 the "Bankenumsatzsteuer" was likewise reduced to a nominal amount. This imposition, which tended, before its reduction, to increase the cost of credit, was applied to the turnover of deposits, each transaction being subject to a tax of 1/4 per cent.

In Poland the rate of interest was fixed by decree of June 29th, 1924, and several subsequent decrees at a maximum of 24 per cent per annum plus a bank commission to cover working expenses of not more than 12 per cent per annum. The actual rate at which accommodation was obtainable has, however, occasionally been much higher. In the spring of 1924, before the issue of this decree, it ruled between 40 and 50 per cent. It dropped to a much lower level towards the end of the year, but since April 1925 it appears to have risen sharply and reached nearly the highest level obtaining in 1924.

In accordance with the Government policy of keeping the interest rate down, the Bank of Poland reduced its rate for advances in August 1924 from 16 to 14 per cent. At the end of November this rate was again reduced to 12 per cent and at the same time the discount rate from 12 to 10 per cent. The Bank's foreign exchange reserves diminished between April 10th and May 20th, 1925, by 30 per cent, and, although they had been increased in March from the proceeds of a loan raised in the United States of America, they stand now at the lowest level reached since the establishment of the Bank. The Bank rate, however, remains unchanged, and the Bank tries to check the drain on its reserves by restricting credits.

In Esthonia the Eesti Pank controls so large a proportion of the ordinary banking business of the country that the official rate is, in effect, a market rate. There, too, the increase of 1/2 per cent in June was not decided upon until after over one-half the Government's and Bank's gold and foreign exchange reserve had been sold.

The discount rate in France was raised three times in the course of the year, though, as two increases occurred in January, the fact is not brought out in Table II. Reference has been made above to the difficulties connected with the exchanges and the rapidly increasing note issue. At the end of September 1923 commer-

[1] See page 80 with reference to "Kostgeschäft" and notes in Vol. II.

cial discounts and advances of the Bank of France stood at 2,511 million francs. They rose during the course of the next two months by 50 per cent, and, after a temporary check in December, continued to mount in January 1924, with the result that the discount rate was raised first on January 10th to 5 ½ per cent and next in the following week to 6 per cent. By the end of November 1924 these discounts and advances stood at 4,809 and on December 11th the bank rate was raised to 7 per cent.

VI. EXCHANGES.

The best single index of world currency conditions is constituted by the exchange rates. Even a great increase of the monetary circulation or prices may indicate not inflation but the first stages of currency reform. In the following table are given the average New York exchange rates [1] on 48 countries for December 1920, 1921, 1922, 1923 and 1924. Columns (*a*) give the value of the dollar in terms of the various currencies, as measured by the New York exchanges, as percentages of its value at par, while columns (*b*) show the premium (+) or discount (—) of the other currencies in terms of dollars. The one column is therefore the reciprocal of the other.

The countries are placed in the order of the value of their currencies at the end of 1924. The numbers in columns (*c*) indicate the order at the end of the other years. Although the table thus set out indicates the relative extent to which the currencies of the various countries have approximated to parity and to some extent the possibilities of a return to parity in the future, the order at the end of 1922, 1923 or 1924 constitutes no criterion of the relative general economic condition of each State. The order is, indeed, to a considerable extent the reflection of past history, not of present conditions. Importance should therefore be laid rather on the movements and the changes in the order than in the final sequence. For this reason the most favourable exchange quoted for each country has been printed in heavy type.

As Austria has introduced a new unit of currency, the schilling, equal to 10,000 paper kronen, and as the Krone has been kept stable with the dollar since the end of 1922, that country might have been raised to the considerable group whose currencies are at par. Likewise Hungary, having stabilised its currency on the British pound, showed at the end of 1924 an effective depreciation of some future currency unit of approximately 4 per cent, a depreciation which automatically disappeared with that of Danzig when the pound once more became sterling in the early summer of 1925. The British Dominions with sterling currency, and Egypt have been calculated over London.

With Austria, Cuba, Panama and such countries as Albania and Mexico where gold has never ceased to be current, there were at the end of 1924 about twenty-five countries with currencies practically at par with the dollar. By May 1925 this number was raised to over thirty by the addition of the United Kingdom, Australia, New Zealand, South Africa, Danzig and Hungary, if the last country may be added despite the fact that a new unit of currency had not yet been formally adopted.

The currencies of Czechoslovakia and Finland were kept stable during 1924 within very narrow limits.

Whereas during 1923 there was a fairly general tendency for other currencies to depreciate compared with the dollar, in 1924 a number of countries showed a marked strength. The most striking improvement was in those South American countries whose exchanges are not already at par. But of some twenty Central and South American Republics, one-half possessed currencies immediately dependent on gold.

[1] In the majority of cases the New York quotations in cents have been utilised and the mean of these quotations calculated. A common basis of comparison has thus been obtained and the results shown are similar to those normally published in the United States. From the point of view of the currency, the value of which is being measured in terms of dollars, however, the practice involves the use of the harmonic mean and when there is a very rapid depreciation of currency — when, that is, the dispersion is great relatively to the size of the mean — the harmonic mean will lie very considerably below the arithmetic. For this reason, the arithmetic mean has been used for Germany, Poland and Hungary, the reciprocals of the cent quotations being obtained before the average has been calculated. In other cases the difference between the two averages is negligible, although the harmonic mean always lies somewhat lower than the arithmetic.

TABLE L

SHOWING EXCHANGE CONDITIONS AT THE END OF THE YEARS 1920 TO 1924. [1]

Country	1920 (Dec.)			1921 (Dec.)			1922 (Dec.)			1923 (Dec.)			1924 (Dec.)		
	Cost of the Dollar expressed as % of its cost at par	Premium (+) or Discount (—) of currency quoted	Order	Cost of the Dollar expressed as % of its cost at par	Premium (+) or Discount (—) of currency quoted	Order	Cost of the Dollar expressed as % of its cost at par	Premium (+) or Discount (—) of currency quoted	Order	Cost of the Dollar expressed as % of its cost at par	Premium (+) or Discount (—) of currency quoted	Order	Cost of the Dollar expressed as % of its cost at par	Premium (+) or Discount (—) of currency quoted	Order
	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
Colombia				108	— 7		100	—		102	— 2		**98**	+ 2	
Sweden	137	—27	10	109	— 8	4	**99**	+ 1	1	102	— 2	2	**99**	+ 1	1
Netherlands	130	—23	8	111	—10	6	101	— 1	3	106	— 5	4	**99**	+ 1	2
Latvia							**100**	—		**100**	—		**100**	—	
Venezuela	110	— 9	2	110	— 9	5	106	— 5	8	**100**	—	1	**100**	—	3
Canada	116	—14	3	108	— 7	3	101	— 1	2	102	— 2	3	**100**	—	4
Dutch E. Indies	128	—22	7	112	—11	7	105	— 5	7	108	— 7	6	**100**	—	5
South Africa	145	—31	15	116	—14	8	103	— 3	6	109	— 9	7	**100**	—	6
Australia	141	—29	13	119	—16	11	106	— 5	11	111	—10	8	**100**	—	7
Switzerland	125	—20	6	**100**	—	1	102	— 2	4	111	—10	9	**100**	—	8
Russia										113	—12		**100**	—	
Poland	13,376	—99.25	39	76,227	—99.87	39	*420	—99.98	38	**109	—99.99	38	**100**	—	9
Germany	1,729	—94	34	4,557	—97.81	35	*178	—99.94	37	***106	—99.99	39	**100**	—	10
Salvador				**101**	— 1		**101**	— 1		**101**	— 1		**101**	— 1	
Nicaragua				102	— 2		**101**	— 1		**101**	— 1		**101**	— 1	
Lithuania										**100**	—		101	— 1	
New Zealand	141	—29	14	119	—16	12	107	— 6	12	112	—11	12	**103**	— 3	11
United Kingd.	139	—28	11	118	—15	9	106	— 6	9	112	—10	10	**104**	— 4	12
Egypt	139	—28	12	118	—15	10	106	— 6	10	112	—10	11	**104**	— 4	13
Danzig										112	—11		**104**	— 4	
Uruguay	133	—25	9	148	—32	17	122	—18	15	133	—25	15	**105**	— 5	14
Argentine	123	—18	5	128	—22	13	112	—11	13	132	—24	14	**109**	— 8	15
Peru	117	—14	4	137	—27	15	**116**	—14	14	121	—17	13	**116**	—14	16
Japan	**99**	+ 1	1	103	— 3	2	102	— 2	5	106	— 6	5	130	—23	17
Bolivia				190	—47		152	—34		**124**	—19		134	—26	
British India	183	—45	20	170	—41	18	157	—36	19	155	—35	18	**137**	—27	18
Spain	148	—32	16	131	—24	14	**123**	—19	16	148	—32	16	138	—28	19
Denmark	181	—45	18	137	—27	16	**130**	—23	17	150	—34	17	152	—34	20
Norway	181	—45	19	175	—43	19	**142**	—29	18	180	—44	19	178	—44	21
Chile	**148**	—33	17	192	—48	20	163	—38	20	189	—47	20	181	—45	22
Costa Rica	198	—49	21	197	—49	21	205	—51	21	209	—52	21	**187**	—47	23
Paraguay	**232**	—57	24	345	—71	26	316	—68	26	252	—60	22	252	—60	24
Ecuador				198	—49		221	—55		**195**	—49		263	—62	
Brazil	**215**	—54	22	250	—60	23	265	—62	22	343	—71	24	279	—64	25
Guatemala	**232**	—57	23	287	—65	25	315	—68	25	339	—71	23	325	—69	26
France	326	—69	27	**249**	—60	22	268	—63	23	368	—73	25	357	—72	27
Belgium	308	—68	26	**259**	—61	24	292	—66	24	421	—76	26	389	—74	28
Italy	552	—82	28	439	—77	27	**386**	—74	27	445	—78	27	449	—78	29
Czechoslovakia	1,750	—94	35	1,638	—94	32	**652**	—85	28	693	—86	28	671	—85	30
Finland	787	—87	30	1,011	—90	29	766	—87	29	775	—87	29	**763**	—87	31
Greece	**255**	—61	25	468	—79	28	1,526	—93	30	1,018	—90	30	1,064	—91	32
S. H. S.	**653**	—85	29	1,268	—92	30	1,561	—94	31	1,699	—94	31	1,290	—92	33
Portugal	**1,031**	—90	31	1,356	—93	31	2,390	—95.8	32	3,032	—96.7	33	2,252	—95.6	34
Bulgaria	**1,705**	—94	33	2,693	—96	34	2,762	—96.4	33	2,364	—95.8	32	2,629	—96.2	35
Roumania	**1,484**	—93	32	2,440	—95.9	33	3,144	—96.8	34	3,744	—97.3	34	3,799	—97.4	36
Esthonia	8,766	—98.9	37	8,885	—98.9	36	**8,123**	—98.8	35	8,814	—98.9	35	8,866	—98.9	37
Austria	**7,449**	—98.66	36	53,310	—99.81	38	*1,447	—99.99	39	* 1,447	—99.99	37	*1,447	—99.99	38
Hungary	**10,203**	—99.0	38	13,487	—99.26	37	47,126	—99.79	36	* 387	—99.97	36	*1,559	—99.99	39

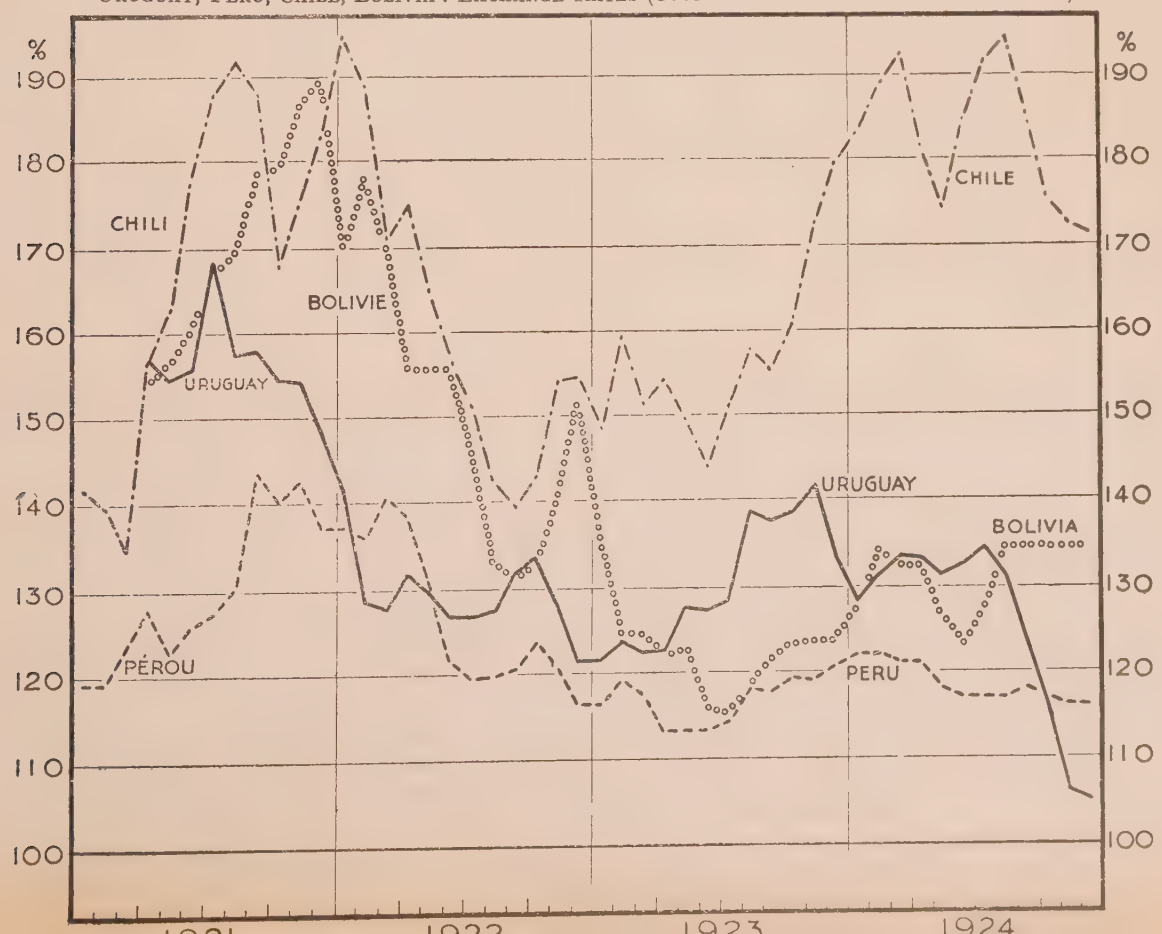
* 000's omitted. ** 000,000's omitted. *** 000,000,000,000's omitted.

1 The basic figures used represent quotations in New York on the respective countries, except for Latvia, Salvador, Nicaragua, Lithuania, Danzig, Costa Rica, Guatemala and Esthonia, for which quotations on New York have been employed. The figures for Paraguay have been calculated indirectly from rates on Buenos Aires (see Vol. II) and those for South Africa, Australia, New Zealand and Egypt from rates on London. For Chile, Guatemala and Paraguay, the pre-war exchange rate has been used instead of the gold parity and for Brazil the parity established in 1910 (16*d.* for 1 paper milreis)-1 dollar (see Vol. II). The parity used for Costa Rica is the original parity of 2.15 colons for 1 dollar. In 1922 the value of the paper colon was fixed at the rate of 4 colons for 1 dollar. Only those countries for which data are given since 1920 have been numbered in the columns (*c*).

In view of the controversy which has centred round the relative advantages and disadvantages of deflation and devaluation, it is interesting to look back and consider the extent to which countries which have restored their exchanges to parity have had to increase the external purchasing power of their currencies in order to attain their goal. This forcing-up of exchanges does not in all cases necessarily entail a currency deflation, for, as has been repeatedly pointed out in past memoranda, the exchanges frequently run away from the currency and price equations. Moreover, the United States of America price index has risen 17 per cent (March 1925) from its lowest point. But in most, if not all, of the countries given in the table immediately below illustrating this point, the extent of the exchange improvement has been greater than could have been effected by the combined efforts of these factors. In the third column is shown the maximum average discount during any month which the currency in question reached since 1919, in the fourth the premium of discount, if any, during December 1924, and in the last at the end of May 1925. Monthly averages are taken in the two former cases to avoid quite temporary fluctuations and the average for the last fortnight of May — the latest available figures — in the last case, so as to exclude the week during which the sterling and dependent exchanges were accomplishing their final ascent. To the countries which had reached par by the latest date are added certain others whose currencies have appreciated by over 20 per cent.

Country	Maximum Depreciation		Premium or discount during:	
	Date	%	Dec. 1924	Last fortnight of May 1925
(1)	(2)	(3)	(4)	(5)
Sweden	II/20	— 30	+ 1	—
Netherlands . .	XI/20	— 25	+ 1	—
Venezuela . . .	VI/21	— 16	—	+ 1
Canada	II/20	— 16	—	—
Dutch East Indies	XI/20	— 24	—	+ 1
Switzerland. . .	XII/20	— 20	—	—
United Kingdom	II/20	— 31	— 4	—
Uruguay	VII/21	— 41	— 5	— 6
Argentine . . .	VII/21	— 31	— 8	— 5
Peru	IX/21	— 30	— 14	— 15
Bolivia	XII/21	— 47	— 26	— 15

Diagram No. 13.
Uruguay, Peru, Chile, Bolivia : Exchange Rates (Cost of Dollar as Percentage of Par).



In order to grasp the effort which a rise in the external value of certain of these currencies by 40 per cent or more involved, it is necessary to remember that domestic prices in the United States of America had fallen by the end of 1924 from their maximum in 1920 by 36 per cent, so that the real increase in external purchasing power was more than twofold.

It will be observed that the exchanges of South American countries touched bottom a good deal later than did those of most of the European States.

Diagram No. 13 (on preceding page) gives for the years 1921 to 1924 the exchange movements (cost of dollar as percentage of par) for Uruguay, Peru, Chile and Bolivia.

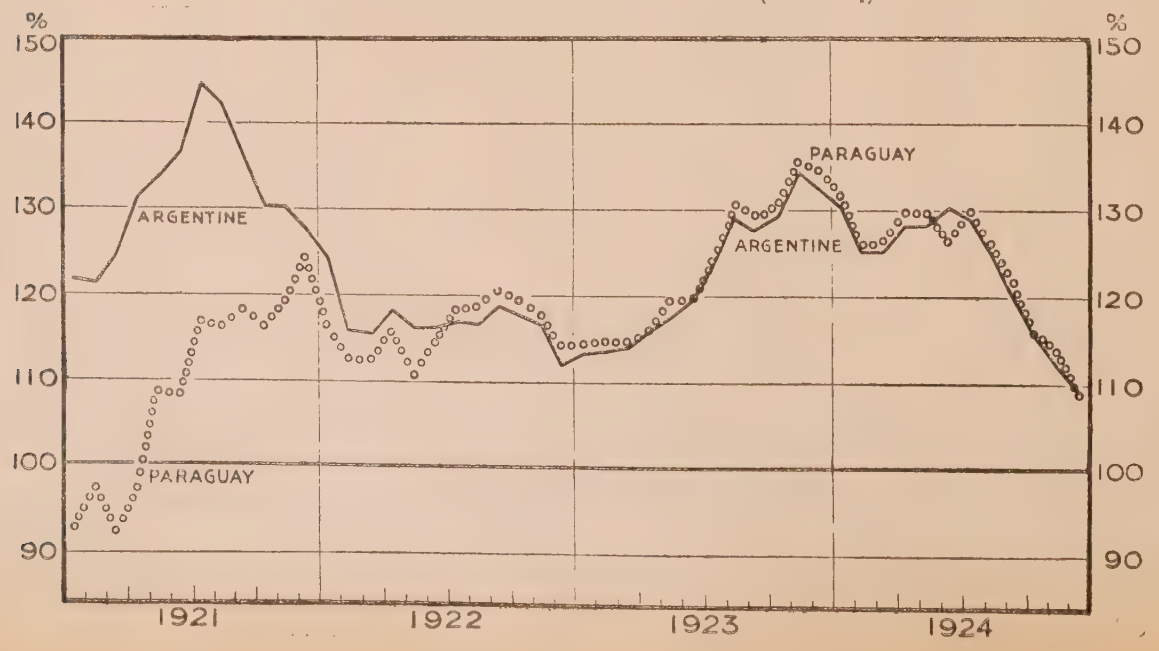
As the diagram shows, there has been a marked improvement in the exchanges of all these countries with the single exception of Chile. The Bolivian exchange, which reached its lowest point in December 1921 when it was quoted in New York at 21 cents (parity = 39 cents) moved throughout 1922 in close sympathy with the Chilian peso. During the first half of 1923, however, it improved rapidly, while the Valparaiso exchange moved irregularly, and in the latter part of 1924 was kept stable at the rate of 29 cents. Early in 1925 it improved again, partly as a result of favourable crops, and at present remains stable at 33 cents per boliviano.

The Uruguayan exchange appreciated rapidly during 1924 and is at present only a few per cent under par. Gold redemption remains suspended until after the repayment by the French Government of a credit of 15 million pesos granted in 1918. A part of this credit was repaid during 1924.

The Argentine peso, like all the currencies illustrated above, depreciated during 1923, but recovered in 1924, as shown in Diagram No. 14 below. This improvement, which continued with minor reactions in the first half of 1925, was facilitated by gold shipments effected by the Government to meet the service of the public debt and by the partial removal of the embargo on gold.

The curve plotted in the same diagram for Paraguay represents the cost of the dollar as a percentage of the new *de facto* par calculated from the present relation between the Paraguayan and the Argentine currency, fixed in January 1923. The new par value of the Paraguayan peso thus calculated is 2.26 U.S. cents per peso, but the Paraguayan peso, although linked up in theory with the Argentine gold peso, is stabilised in practice on the Argentine paper peso. For this reason the two curves have moved during the last two years in close accord.

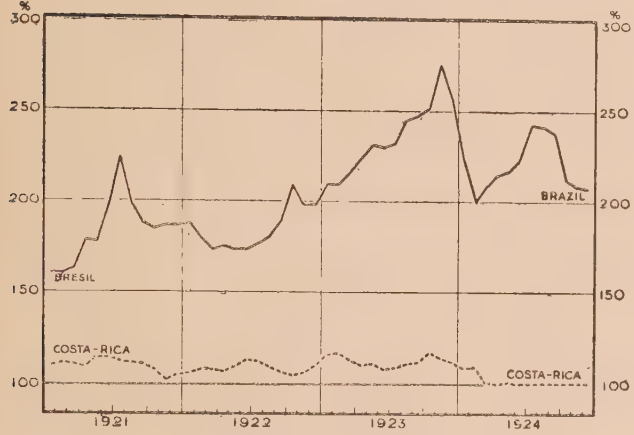
Diagram No. 14.
Argentine and Paraguay: Exchange Rates (Cost of $).



The Brazilian and Costa Rican exchanges are shown separately and on a smaller scale in Diagram No. 15. In both cases use has been made of the new parities. The new Brazilian parity, which was introduced as an ideal in the spring of 1923, is 12*d.* per milreis. By the end of 1924, the milreis, which depreciated to a discount of 64% in November 1923, had improved to a figure slightly better than that which obtained when this new parity was selected, although still not within 50% of that parity. The new par rate of four colons per dollar was adopted in Costa Rica in October 1922 and actually reached and maintained in 1924.

Diagram No. 15.

Brazil and Costa Rica: Exchange Rates (Cost of $).

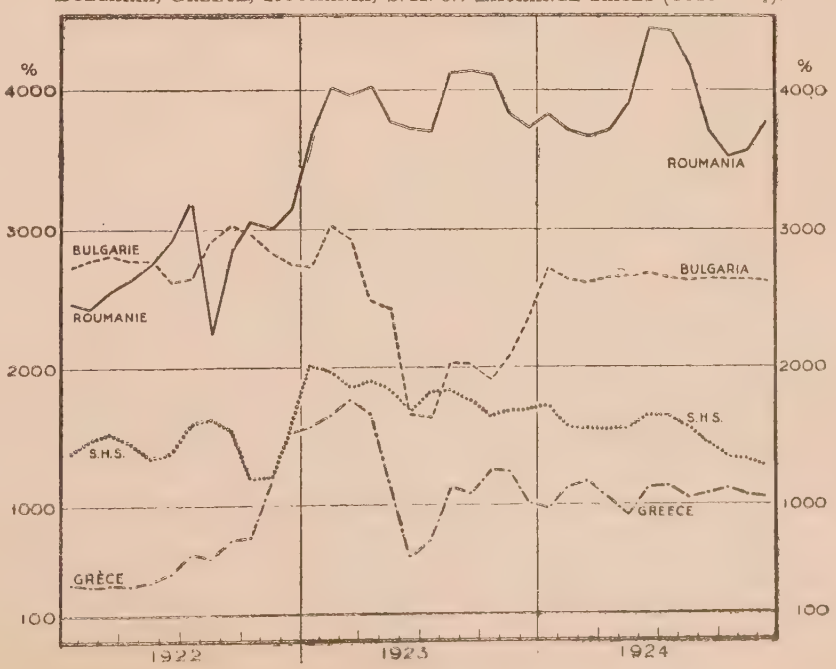


The French exchange movements have already been shown above in Diagram No. 1 and the Portuguese in Diagram No. 6. The lowest point which the French franc reached after the exchange speculation in the opening months of the year 1924 was 3.49 cents on March 8th. As a result of the action which was taken to support the exchange, including the raising of the discount rate and the arrangements by the Bank of France for a three-months credit in London for £4 million, renewable for a further term of three months, and a further credit amounting to $100 million for similar periods, obtained in New York, the exchange was raised by April 2nd to 5.99 cents and by April 26th to 6.46 cents, that is, by over 85% in seven weeks. From this high point the exchange sank again slowly to 4.99 cents on the last day of July, whence it recovered again to move as shown in the diagram between about 5.25 and 5.7 cents during the remaining months of the year. In September the British credit was repaid and in December the American. At the same time as the latter was liquidated the French Government raised a long-term loan (25 years) in the United States, the net proceeds of which were utilised for the amortisation of part of the Government debt to the Bank referred to above.

The majority of other countries whose currencies are on a paper basis and whose exchanges fluctuated within relatively wide limits in 1923 show either an improvement or a greater stability in 1924. In the following diagram the New York exchange rates on Bulgaria, Greece, Kingdom of the Serbs, Croats and Slovenes and Roumania for the last three years are shown.

Diagram No. 16.

Bulgaria, Greece, Roumania, S. H. S.: Exchange Rates (Cost of $).



In both 1923 and 1924 the Greek exchange showed a tendency to depreciate during the first quarter and to improve rapidly after March. In the latter year, however, owing to the application by the Bank of the powers which it received under the law of April 23rd, 1923, according to which it was authorised to issue notes for purchase of exchange on behalf of the Government and withdraw them as this exchange was utilised, the movements were less violent. During the whole of the latter part of the year owing to improved economic conditions and the prospects of the refugee loan, actually floated in January 1925, the exchanges fluctuated within relatively narrow limits.

The Bulgarian exchange has been kept practically stable since January 1924 at a rate rather better than that ruling during the first half of 1922 and this stability has been maintained in spite of political difficulties during the first five months of 1925. The exchange is, however, controlled, and the rates of the "Black Bourse" have frequently varied from official quotations.

Of the four currencies shown, the most erratic has been the leu, and though the average rate for 1924 was somewhat better than that for 1923 — 3,870 per cent of par as compared with 3,910 — there is no clear tendency either towards higher or towards steadier values.

If the curves of the exchanges of the world, as of many other economic phenomena, since 1920 be followed with care, a fairly marked tendency towards a reduction in the amplitude of their oscillations will be observed, a tendency which obtains even when there is a slight depreciation. One of the most interesting examples of the smoothing-out of economic curves in post-war years is presented by the New York-Rome exchange (see Diagram No. 17).

The average rate of exchange in 1924 was actually 8 % worse than in 1922; but the seasonal movements, which were so marked in earlier years, had become very largely eliminated.

As explained at length in the chapter on Germany in Volume II, measures were taken in November 1923 to keep the German exchange stable at the rate of 4,210,000,000,000 marks to the dollar, which is equivalent to $\frac{1}{1,000,000,000,000}$ of the pre-war parity. The New York rate, however, showed considerable variations from the Berlin rate for over six months. In the following diagram the Berlin-New York and the New York-Berlin exchange are shown from November 20th — the date of the Berlin stabilisation — until July 31st, 1924. The figures represent the number of marks for one dollar.

Diagram No. 17.
Italy: Exchange Rates (Cost of $).

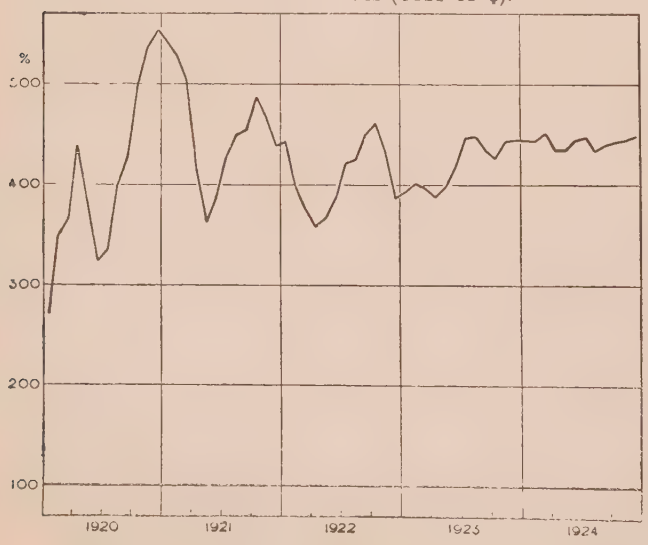
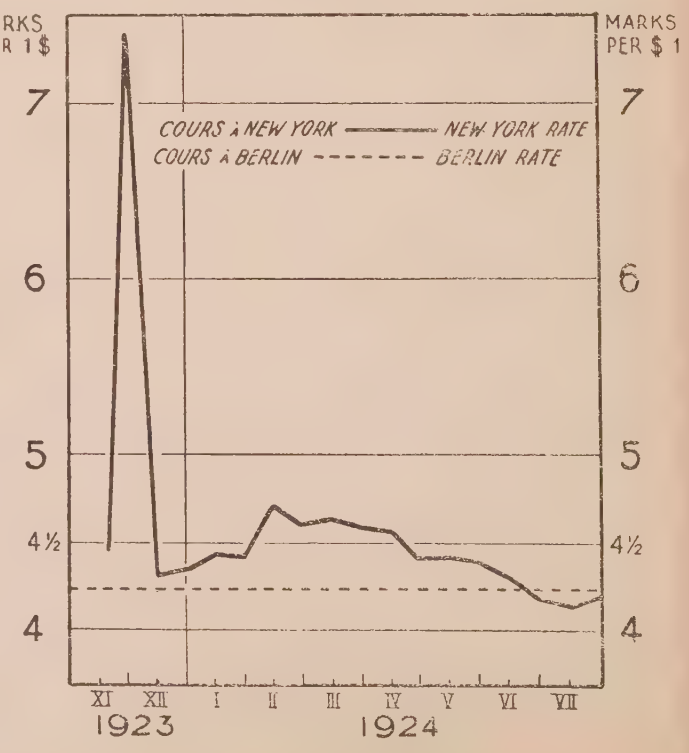


Diagram No. 18.
Germany: Exchange Rates.



The quotations used are those for the middle and end of each month. Actually the greatest discrepancy between the two rates was on November 30th, 1923, when the New York quotation stood at 7,407,000 million marks. After that date the mark improved steadily in New York and almost reached the new parity on December 20th, but reacted again, as the diagram indicates, in January 1924.

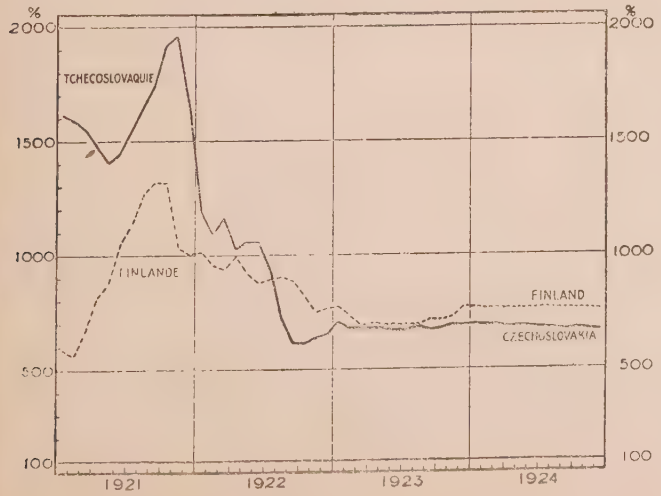
Before presenting diagrams of other exchanges it may be well to show in tabular form the extent of the variations in the monthly average quotations for the last four years.

The figures for the years 1921 to 1923 for Poland and Germany have been omitted for reasons of typographical convenience and because the rapid depreciation of their currencies cannot be indicated in this manner.

As Table M (pages 54 and 55) shows, the increase of the stability of the exchanges in 1924 was almost universal. A few countries such as Canada, Sweden, Switzerland, etc. moved rather more rapidly toward their final objective in this than in the preceding year. France and Belgium, as recorded above, were adversely affected — as were many other countries in the final issue — by the speculation in the franc which took place in the early spring of 1924. The currencies of Portugal and Ecuador continued to depreciate.

Czechoslovakia and Finland have both reached their respective points of stabilisation after about a year of extremely rapid exchange appreciation following on very wide fluctuations. The preceding diagram (No. 19) shows that there has been an interesting similarity in the movements of the values of these two countries' currencies.

DIAGRAM No. 19.
FINLAND AND CZECHOSLOVAKIA: EXCHANGE RATES (COST OF $).



The extreme points in the diagrams were as follows. In Finland the highest point in 1920 was reached in April (5.6 cents = 1 F.m.), whence the exchange fell by 61 % in November (2.2 cents = 1 F.m.) to rise by 55 % in February 1921 (3.4 cents = 1 F.m.). Between February and September 1921 it fell by 57 % (1.46 cents = 1 F.m.) and rose up to the middle of 1923 by 90% (2.77 cents = 1 F.m.); it was finally stabilised in 1924 at about 2.52 cents to the Finnish mark. In Czechoslovakia the highest point in 1920 was reached in June (2.35 cents = 1 kr.), whence the exchange fell by 51% in November (1.15 cents = 1 kr.) to rise by 26% in May 1921 (1.45 cents = 1 kr.). Between May and November it fell by 29% (1.03 cents = 1 kr.) and rose during the next eleven months 32% (3.30 cents = 1 kr.). It was finally stabilised at 2.99 cents.

The Japanese exchange depreciated rapidly after the earthquake and, after a temporary improvement in the summer of 1924, fell again in the autumn. The earlier depreciation was due largely to the very heavy imports during December 1923 and the first quarter of 1924, mainly of goods required for reconstruction purposes, imports which were facilitated by the temporary Customs exemptions and reductions which were extended until the end of March 1924. As a result, stocks of goods in public warehouses, despite losses, were approximately one-third greater at the end of March 1924 than in the corresponding date of the preceding year. The 25 million sterling loan and 150 million dollar loan raised in February 1924 caused a temporary improvement in the exchanges. With the subsequent considerable borrowings by the City of Tokio and certain industrial and banking companies, and an increase in the volume of exports, the rate of depreciation was checked despite the general depression in trade.

In Table IX of the present volume the New York exchanges and what may be termed the theoretical price exchange rates are set out in parallel columns. It may be expected

TABLE M

SHOWING HIGHEST AND LOWEST NEW YORK EXCHANGE QUOTATIONS IN CENTS AND HIGHEST AS PERCENTAGE OF LOWEST QUOTATIONS.

Country	1921					1922				
	Average for January	Average for December	Lowest	Highest	Highest as % of lowest	Average for January	Average for December	Lowest	Highest	Highest as % of lowest
Austria	0.24	0.038	0.030	0.375	**1,250**	0.033	0.0014	0.0014	0.039	**3,900**
Latvia [1]	0.49	0.41	0.20	0.59	**295**	0.41	19.37	0.38 [2]	0.43 [2]	**113** [2]
Poland [3]										
Finland	3.26	1.91	1.20	3.75	**313**	1.90	2.52	1.84	2.75	**149**
Venezuela [5]		17.50	15.38	17.50	**114**	17.75	18.28	17.50	18.90	**108**
Canada	87.41	92.95	85.25	95.20	**112**	94.94	99.48	93.55	100.14	**107**
Sweden	21.38	24.58	20.05	25.22	**126**	24.97	26.96	24.65	27.03	**110**
Czechoslovak.	1.26	1.24	0.92	1.55	**168**	1.71	3.11	1.55	3.76	**243**
Peru	408.50	355.00	322.00	420.00	**130**	355.00	418.44	334.00	419.00	**125**
Netherlands	32.85	36.23	30.52	36.98	**121**	36.66	39.79	36.30	40.13	**111**
Colombia [5]		90.19	80.50	94.00	**117**	92.42	97.50	88.25	97.50	**110**
Italy	3.55	4.40	3.41	5.61	**165**	4.35	5.00	3.89	5.49	**141**
Dutch E. Indies	33.16	35.88	31.00	37.00	**119**	36.51	38.36	36.125	39.000	**108**
United Kingd.	373.71	414.13	354.50	422.95	**119**	421.99	459.88	418.65	467.99	**112**
Bulgaria	1.17	0.72	0.64	1.50	**234**	0.71	0.70	0.60	0.75	**125**
Switzerland	15.66	19.36	15.22	19.54	**128**	19.41	18.87	18.03	19.60	**109**
Bolivia [5]		20.56	20.25	25.25	**125**	23.00	25.63	21.88	29.85	**136**
Russia										
Denmark	17.94	19.44	15.10	20.93	**139**	19.96	20.63	19.79	22.18	**112**
Norway	17.71	15.30	11.93	19.30	**162**	15.72	18.94	15.47	19.24	**124**
Spain	13.47	14.68	12.02	15.19	**126**	15.01	15.64	14.85	16.03	**108**
Germany [6]										
Japan	49.63	48.38	46.00	50.00	**109**	48.17	48.81	47.19	48.99	**104**
British India	28.59	28.65	22.46	29.00	**129**	28.76	30.99	27.50	31.11	**113**
Chile	13.80	10.71	9.75	15.13	**155**	10.04	12.68	9.38	14.31	**153**
Argentine	34.90	33.18	28.50	35.75	**125**	34.15	37.94	33.50	38.25	**114**
Uruguay [5]		69.88	58.26	78.95	**136**	73.03	85.09	70.92	85.45	**120**
Brazil	15.14	13.00	10.17	16.25	**160**	12.93	12.23	11.02	13.96	**127**
S. H. S.	2.83	1.52	1.04	3.60	**346**	1.39	1.24	1.06	1.89	**178**
Ecuador [5]		24.61	23.81	32.25	**135**	24.10	22.00	22.00	27.25	**124**
Roumania	1.36	0.79	0.47	1.83	**389**	0.78	0.61	0.56	1.08	**193**
Greece	7.48	4.13	3.99	7.93	**199**	4.36	1.26	1.00	4.60	**460**
Portugal	10.18	7.97	7.33	13.50	**184**	7.92	4.52	3.72	9.17	**247**
Belgium	6.75	7.45	6.13	8.77	**143**	7.80	6.62	5.64	8.73	**155**
France	6.41	7.76	5.84	8.78	**150**	8.15	7.20	6.20	9.35	**151**
Hungary	0.19	0.15	0.09	0.53	**589**	0.153	0.043	0.035	0.172	**491**

[1] Since November 1922, number of cents for 1 lat. Before this date, number of cents for 1 Latvian rouble.
[2] January to October 1922.
[3] Number of cents for 1 zloty. The figures refer to the period from June to December 1924.
[4] Average of June.
[5] The figures for 1921 refer to the period from April to December.
[6] Cents for 1 Reichsmark.

TABLE M.

SHOWING HIGHEST AND LOWEST NEW YORK EXCHANGE QUOTATIONS IN CENTS AND HIGHEST AS PERCENTAGE OF LOWEST QUOTATIONS.

1923					1924					Country
Average for January	Average for December	Lowest	Highest	Highest as % of lowest	Average for January	Average for December	Lowest	Highest	Highest as % of lowest	
0.0014	0.0014	0.0014	0.0014	**100**	0.0014	0.0014	0.0014	0.0014	**100**	**Austria**
19.57	19.34	19.19	19.72	**103**	19.34	19.23	19.19	19.42	**101**	**Latvia** [1]
					19.29 [4]	19.20	19.18	19.37	**101**	**Poland** [3]
2.49	2.49	2.46	2.79	**113**	2.50	2.53	2.47	2.53	**102**	**Finland**
18.79	19.25	18.25	19.38	**106**	19.16	19.25	19.00	19.50	**103**	**Venezuela** [5]
99.18	97.61	97.05	99.62	**103**	97.36	99.69	96.52	100.04	**104**	**Canada**
26.87	26.34	26.19	27.02	**103**	26.19	26.96	25.87	26.98	**104**	**Sweden**
2.86	2.92	2.77	3.09	**112**	2.90	3.02	2.87	3.03	**106**	**Czechoslovak.**
417.30	403.00	399.00	430.00	**108**	398.90	419.70	3.95	4.22	**107**	**Peru**
39.56	38.04	37.00	39.72	**107**	37.35	40.42	36.86	40.51	**110**	**Netherlands**
96.69	95.00	94.00	105.00	**112**	98.50	99.50	95.00	104.50	**110**	**Colombia** [5]
4.88	4.34	4.18	5.17	**124**	4.34	4.30	4.13	4.53	**110**	**Italy**
39.32	37.36	36.50	39.75	**109**	36.28	40.02	36.08	40.02	**111**	**Dutch E. Indies**
465.46	436.01	428.46	472.19	**110**	425.91	469.58	420.94	473.44	**112**	**United Kingd.**
0.69	0.82	0.60	1.29	**215**	0.71	0.73	0.68	0.76	**112**	**Bulgaria**
18.78	17.45	17.08	18.95	**111**	17.32	19.38	17.22	19.48	**113**	**Switzerland**
28.72	31.50	25.63	33.50	**131**	30.45	29.00	29.00	33.00	**114**	**Bolivia** [5]
					457.50	516.00	457.50	523.00	**114**	**Russia**
19.80	17.82	16.64	20.55	**123**	16.94	17.64	15.30	17.76	**116**	**Denmark**
18.70	14.93	14.25	19.05	**134**	14.09	15.07	13.14	15.21	**116**	**Norway**
15.66	13.04	12.88	15.81	**123**	12.76	13.96	12.13	14.20	**117**	**Spain**
					22.60	23.80	20.40	24.00	**118**	**Germany** [6]
48.75	47.01	46.18	49.22	**107**	44.90	38.44	37.94	46.09	**121**	**Japan**
32.04	31.41	30.28	33.20	**110**	30.90	35.51	29.66	35.75	**121**	**British India**
13.19	10.89	10.55	13.69	**130**	10.64	11.38	9.42	11.54	**123**	**Chile**
37.56	32.07	31.25	38.00	**122**	32.60	38.95	31.60	40.08	**127**	**Argentine**
85.05	77.66	70.89	85.64	**121**	80.30	98.10	75.49	99.59	**132**	**Uruguay** [5]
11.57	9.47	8.49	11.67	**137**	10.91	11.65	9.14	12.21	**134**	**Brazil**
0.96	1.14	0.70	1.30	**186**	1.13	1.50	1.12	1.55	**138**	**S. H. S.**
24.69	25.00	22.00	27.00	**123**	24.04	18.50	18.00	25.00	**139**	**Ecuador** [5]
0.52	0.52	0.37	0.60	**162**	0.50	0.51	0.41	0.57	**139**	**Roumania**
1.22	1.90	1.05	4.09	**390**	1.94	1.81	1.45	2.17	**150**	**Greece**
4.60	3.56	3.36	5.03	**150**	3.18	4.80	2.74	4.87	**178**	**Portugal**
6.08	4.58	4.35	6.81	**157**	4.18	4.97	3.16	5.72	**181**	**Belgium**
6.68	5.25	5.00	7.41	**148**	4.67	5.40	3.49	6.72	**193**	**France**
0.039	0.005	0.0039	0.0411	**1,054**	0.0039	0.0013	0.0011	0.0052	**473**	**Hungary**

1 Since November 1922, number of cents for 1 lat. Before this date, number of cents for 1 Latvian rouble.
2 January to October 1922.
3 Number of cents for 1 zloty. The figures refer to the period from June to December 1924.
4 Average of June.
5 The figures for 1921 refer to the period from April to December.
6 Cents for 1 Reichsmark.

that, within the limits set by the incomplete comparability of the index numbers of wholesale prices, a lack of comparability the extent and character of which is indicated in the notes to Table VIII (Vol. II), by the various obstructions to trade, as for instance the imposition of new tariffs, and by the lack of identity between the commodities the prices of which are measured and those actually entering into international trade, as the prices in any two countries tend towards the same level, exchanges will likewise approximate to par. With reference to the last reservation, however, it may be remarked that the greatest comparability between any two indices may be expected not as a result of identity of composition or structure but in accordance with the extent to which they each severally accurately measure variations in purchasing power.

The theoretical ratios given in column (*a*) of Table IX are therefore calculated by dividing the index number of the countries concerned by the index number of the United States Bureau of Labor. In Table N below these calculations are not reproduced, but in the second column for each country the percentage differences between the actual exchange ratio and the price ratios are shown.

The countries are arranged by continental groups in alphabetical order.

Whenever a + sign precedes a figure in column (*b*) it indicates that the exchanges are more adverse to the country given at the head of the column than the ratio between its general price level and the price level in the United States would justify were the indices exactly comparable and other limitations to the realisation of the equation non-existent.

TABLE N.

SHOWING NEW YORK EXCHANGE RATES AND THEIR PERCENTAGE DIFFERENCES FROM THEORETICAL PRICE EXCHANGE RATES.

	Austria		Belgium		Czecho-slovakia		Denmark		Finland		France		Germany	
	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)
1920														
March			258		1,510		155		382	— 13	270	+ 17	1,868	+156
June			232		864		159		396	— 14	243	+ 13	923	+ 62
September			269		1,401		190	+ 9	626	+ 9	285	+ 25	1,364	+106
December			308		1,750		181	— 9	787	+ 1	326	+ 30	1,734	+116
1921														
March			262		1,554		154	— 13	669	— 14	274	+ 15	1,489	+ 73
June			240		1,448		156	— 13	1,054	+ 20	239	+ 3	1,648	+ 71
September			267	+ 2	1,745		152	+ 1	1,323	+ 37	263	+ 10	2,443	+ 67
December			259	— 2	1,638		138	+ 5	1,011	+ 9	249	+ 6	4,655	+ 87
1922														
March	132,848	+ 38	228	— 7	1,163	+ 10	127	—	940	+ 7	214	— 1	6,568	+ 72
June	291,121	+ 37	234	— 1	1,053	+ 10	124	+ 3	880	+ 7	220	+ 3	7,257	+ 55
September	1,447,286	+ 25	266	+ 12	621	— 13	127	+ 9	884	+ 11	252	+ 17	34,857	+ 86
December	1,447,286	+ 40	292	+ 12	652	+ 3	130	+ 12	766	+ 4	268	+ 17	177,769	+ 88
1923														
March	1,447,286	+ 24	352	+ 16	682	+ 7	140	+ 12	698	—	305	+ 15		
June	1,447,286	+ 21	357	+ 13	677	+ 8	149	+ 11	696	— 3	306	+ 15		
September	1,447,286	+ 25	394	+ 18	677	+ 10	148	+ 12	718	+ 2	330	+ 21		
December	1,447,286	+ 20	421	+ 17	693	+ 8	150	— 8	775	+ 7	368	+ 23		
1924														
March	1,447,286	+ 14	499	+ 20	698	+ 3	171	+ 13	764	+ 5	412	+ 18	108	+ 35
June	1,447,286	+ 15	423	+ 8	690	+ 4	160	+ 6	768	+ 2	367	+ 15	102	+ 28
September	1,447,286	+ 11	391	+ 6	677	+ 2	158	+ 1	766	+ 2	364	+ 13	100	+ 18
December	1,447,286	+ 9	389	+ 8	671	+ 2	152	+ 3	763	+ 5	357	+ 11	100	+ 19

Table N *(continued)*

SHOWING NEW YORK EXCHANGE RATES AND THEIR PERCENTAGE DIFFERENCES FROM THEORETICAL PRICE EXCHANGE RATES.

	Hungary		Italy		Netherlands		Norway [1]		Poland		Russia		Spain	
1920	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
March			364	+ 47	109	— 14	148	—	3,517				109	+ 17
June			325	+ 22	111	— 11	152	— 1	3,784				117	+ 24
September			425	+ 47	128	— 2	191	+ 3	5,512				131	+ 31
December			552	+ 49	130	— 4	181	— 17	13,183				148	+ 18
1921														
March			502	+ 28	118	— 3	165	— 19	18,746				138	+ 11
June			387	+ 4	121	— 5	183	— 12	29,061				148	+ 13
September			455	+ 14	127	— 1	209	+ 1	88,891				148	+ 14
December			439	+ 3	111	— 7	175	— 10	76,837	+ 86			131	—
1922														
March			376	— 3	106	— 8	152	— 13	100,409	+108			123	— 2
June			387	+ 9	104	— 5	157	+ 2	97,984	+ 77			123	+ 3
September			450	+ 19	104	+ 5	159	+ 7	190,264	+102			126	+ 11
December			386	+ 2	101	+ 2	142	+ 1	415,000	+108			123	+ 12
1923														
March			397	+ 8	102	+ 4	148	+ 3					125	+ 16
June			422	+ 12	103	+ 6	161	+ 6					129	+ 16
September			435	+ 18	102	+ 9	167	+ 11					142	+ 26
December			445	+ 17	106	+ 4	180	+ 10					148	+ 26
1924														
March	1,365,455	+ 5	451	+ 17	108	+ 5	197	+ 12	95	+ 28	103	— 18	151	+ 26
June	1,792,877	+ 16	445	+ 14	107	+ 3	198	+ 9	100	+ 41	100	— 14	143	+ 16
September	1,558,166	+ 4	440	+ 14	105	— 1	194	+ 6	100	+ 35	100	— 12	146	+ 19
December	1,558,616	+ 5	449	+ 12	99	— 3	178	—	100	+ 33	100	— 7	138	+ 10

	Sweden		Switzerland		United Kingdom		British India [2]		Dutch East Indies [3]		Japan		Canada		Peru	
1920	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
March	131	— 16	112		130	— 4	69	— 21			104	— 24	112	+ 9	100	— 3
June	123	— 20	106		123	— 8	79	— 8			97	— 5	114	+ 9	97	— 4
Septem.	132	— 19	119		138	—	97	+ 5			97	— 5	112	+ 3	97	— 8
December	137	— 19	125		139	— 5	122	+ 16			99	— 14	116	— 4	116	— 8
1921																
March	118	— 26	113	— 19	124	— 9	126	+ 12			103	— 16	114	— 5	123	— 9
June	120	— 23	113	— 12	129	— 7	127	—			103	— 24	113	— 3	126	— 11
Sept.	123	— 14	112	— 14	131	— 2	117	— 11			103	— 30	111	— 3	143	— 1
Dec.	109	— 19	100	— 21	118	— 2	113	— 12			103	— 31	108	—	137	+ 1
1922																
March	103	— 18	99	— 17	111	— 2	113	— 11	107	— 22	105	— 26	103	— 5	141	+ 5
June	104	— 10	101	— 7	109	+ 2	110	— 11	105	— 20	104	— 21	101	— 1	122	— 5
Sept.	101	— 9	102	— 6	110	+ 9	111	— 4	104	— 19	103	— 18	100	+ 4	121	— 2
Dec.	99	— 5	102	— 8	106	+ 6	105	— 7	105	— 17	102	— 13	101	+ 3	116	— 5
1923																
March	101	— 5	104	— 10	104	+ 3	101	— 11	103	— 20	103	— 16	102	+ 4	118	—
June	101	— 6	108	— 8	105	+ 1	103	— 10	105	— 20	102	— 21	102	—	113	— 10
Sept.	101	— 4	108	— 6	107	+ 4	105	— 6	105	— 16	103	— 24	102	+ 2	118	— 2
Dec.	102	— 4	111	— 8	112	+ 4	103	— 13	108	— 21	106	— 24	102	—	121	— 5
1924																
March	102	— 6	112	— 7	113	+ 3	107	— 10	111	— 7	116	— 15	103	—	122	— 5
June	101	— 7	109	— 10	113	+ 1	105	— 13	111	— 10	121	— 12	102	— 3	118	— 11
Sept.	101	— 7	102	— 11	109	— 3	98	— 18	106	— 11	123	— 12	100	— 3	118	— 7
Dec.	99	— 7	100	— 7	104	— 4	91	— 19	100	— 12	130	— 4	100	— 2	110	— 6

1 For 1920 to 1922 the series of wholesale prices employed was that of *Okonomisk Revue*; for the years 1923 and 1924 the *official* series was taken.
2 Exchange based on pre-war parity.
3 Since 1924 revised index number of wholesale prices, not strictly comparable with the preceding years.

Doubt has been expressed above regarding the extent to which conclusions can be drawn with reference to those countries in which the deviation from perfect price-exchange equation has sunk to a comparatively small figure [1]. The table shows clearly, however, that the discrepancy between the actual and price exchange rates has tended to diminish as the former approached par. Similarly, the discrepancy at any date is, as a rule, greater in the case of those countries with heavily depreciated exchanges than in the others, and as the exchanges have fallen the discrepancy has increased. The earlier figures for Poland and Germany referring to their unreformed currencies have been entered by way of additional illustration; but in both countries the year 1923 has been omitted owing to the fact that monthly averages have little meaning when prices, internal and external, are soaring with the celerity which typified that year.

The evidence which has already been submitted with reference to the year 1924 has anticipated the conclusions to which this table can give proof, and it constitutes simply a cupola to the structure which the others have formed. For, as has been shown, exchanges were with a few exceptions more stable than in any previous year and prices have risen universally and normally more than gold prices. Obviously, therefore, since the purchasing power of the dollar in paper currency countries was previously as a rule higher than in the United States of America, with this rise in paper prices and stable exchanges the deviation from the price-exchange equation diminished.

During the latter part of 1923 and the whole of 1924 various attempts were made to stabilise the Danish kronor on the pound. Thus in November 1923, when a £5 million British-American credit was obtained, a rate of 24.50 kr. to the pound was fixed and enforced until January. When in this latter month it became clear that this level could not be maintained, the discount rate was raised to 7%, a system of credit restrictions initiated, certain import restrictions imposed, a Central Exchange Committee appointed and an Equalisation Fund, through which all exchange transactions had to be made, established. A further attempt was then made to stabilise the sterling rate in May, on this occasion at 25.65. By July, however, the rate had risen to over 27, and in August to 28, in spite of a further credit obtained by the National Bank of $5 million in June. Finally, in January 1925, by an agreement between the Government and the National Bank, it was arranged that the exemption from the gold redemption obligation of the Bank should be extended until the end of 1926 on the condition that it should sell dollars at not more than 5.74 kr. for the first half of 1925, 5.60 kr. for the second half, 5.46 kr. for the first half of 1926 and 5.32 for the second half of that year. Up to May 1925 there has in point of fact been a steady appreciation of the Copenhagen - New York exchange.

It may be interesting to complete this section by showing the movements of the exchanges of Australia, New Zealand and South Africa on London during the month immediately following the return of the United Kingdom to the gold standard.

Cable Selling Rates on London

Australia		New Zealand	
1925		1925	
25.IV. to 6.V.	2½% discount	25.IV. to 7.V.	1% discount
7.V. to 30.V.	½% »	8.V. to 30 V.	¼% »

South Africa

1925	
25.IV to 1.V	½% discount
2.V to 8.V	¼% »
9 V to 15 V	⅛% premium
16.V to 22.V	¼% »
23.V to 29.V	½% »
30 V	⅝% »

It will be noticed that, within a week of the declaration made by the British Chancellor of the Exchequer, the Australian banks' charge for selling cable transfers was reduced from 70s. to 15s. for £100.

[1] Vide page 13.

VII. GOLD AND FOREIGN EXCHANGE RESERVES

The Statutes of the new central banks, in countries in which a radical currency reform has recently been carried out, treat, as a rule, gold and liquid foreign assets as of equal value as cover for notes and other sight liabilities. The new Statutes of the German Reichsbank constitute a curious exception to this modern tendency, and demand a reserve of 40 % against notes in circulation, of which 75% must be in gold. The Committee of Experts on the reparation question had suggested a 33 1/3 % reserve in gold or its equivalent against the notes and a similar 12% reserve against deposits.

As an extreme case of the more general tendency may be quoted the National Bank of Austria, where, at the end of 1924, the total cover of gold and liquid foreign assets amounted to 45% [1], while the actual gold cover was only 1.3% of the note circulation. For this reason, further tables are given below showing the total percentage reserve of gold plus foreign assets. In a number of cases, Governments or banks have still further supplemented these reserves by obtaining for specific or undefined periods revolving credits in some foreign country. As examples may be quoted those raised for six and nine months by the Bank of France during 1924 in the United Kingdom and the United States of America, the credit raised by Sweden in the same year, those raised by the United Kingdom in the United States of America or that of the Bank of Danzig. These credits, which when drawn upon constitute, of course, a debt by the borrowing Government or bank, are not included in any of the tables given in this section.

The changes which have taken place in the distribution of gold are shown in Table O, giving the gold stocks in various countries at the end of each year from 1919 to 1924 expressed in dollars. The gold held abroad is indicated separately wherever possible. In the various percentage tables which follow, however, no distinction has been made between gold at home and abroad in those cases where the latter is known to represent actual gold at the free disposal of the depositor. In the other cases, separate percentages for gold at home and total reserves, including gold abroad, have been calculated. In the case of Roumania, the gold deposited in Russia has been entirely left out of account for reasons explained in the notes in Vol. II.

Again, the most striking fact which the table brings out is the continued increase in the gold holdings of the United States of America. These holdings at the end of 1924 constituted about 45% of the total stocks of the 43 countries given and probably nearly a half of the currency gold of the world. The increase during 1924 was only slightly less than during the preceding year and was sufficient to absorb nearly 90% of the world production during the twelve months ending December 1923, although, in point of fact, most of the new gold in the latter half of the year went to India.

Again, the movement of gold, apart from the produce of the mines, was not considerable. Germany imported gold steadily after May as required by the Statutes of the New Central Bank — partly from Sweden. The Reichsbank's stocks, which, excluding that pledged abroad, sank as low as 442 million gold marks by April, had risen by the end of the year to 760 and by the end of April 1925 to 1,014 millions. The Polish stocks likewise increased, partly as a result of the distribution of the reserve of the Austro-Hungarian Bank and the utilisation of the indemnity received from the Soviet Government under the Treaty of Riga and partly by further centralisation of domestic hoardings.

The Netherlands, Sweden and Switzerland all exported a part of their holdings, and the Argentine Government disposed of a further 29 million pesos. Egypt repatriated the balance of £E. 1,253,000 which she still had at the end of 1923 on safe deposit with the Bank of England.

[1] See Notes, Vol. II. If the Bank's holdings of foreign exchange not formally eligible for the "metallic reserve" be excluded, the cover amounted to 42.8 %.

TABLE O.

SHOWING THE GOLD STOCKS IN VARIOUS COUNTRIES AT THE END OF EACH YEAR FROM 1919 TO 1924 EXPRESSED IN DOLLARS.

(000,000's omitted)

Country	End of 1919		End of 1920		End of 1921		End of 1922		End of 1923		End of 1924	
	At home	abroad	At home	abroad	At home	abroad	At home	abroad	At home	abroad	At home	abroad
United States[1]	2787.7	—	2928.8	—	3657.0	—	3933.5	—	4247.2	—	4547.4	—
United Kingdom[2]	583.2	—	762.9	—	763.7	—	751.8	—	754.4	—	757.0	—
France	694.7	381.7	685.3	375.9	690.0	375.9	708.2	359.7	709.3	359.7	710.2	359.7
Japan[3]	547.0*		721.1*		728.8*		609.4	—	561.1	—	540.9	—
Spain[4]	471.9	—	474.1	—	484.9	—	487.2	—	487.7	—	489.2	—
Argentine[5]	362.5	76.2	494.3	4.0	484.6	4.0	483.5	4.0	481.8	—	453.2	—
Australia[6 7]	223.4	—	220.0	—	221.0	—	225.2	—	228.5	—	229.9	—
Italy[8]	200.9	115.5	204.8	111.6	212.8	111.4	219.4	111.5	218.2	111.4	221.0	111.4
Netherlands	256.2	—	255.7	—	243.6	—	233.9	—	233.9	—	202.8	—
Canada[9]	192.4	17.5	176.0	20.1	154.7	19.2	225.2	15.2	171.2	13.0	195.8	12.6
Germany[10]	275.3	—	274.4	—	250.9	—	241.0	11.9	119.7	5.1	145.7	49.3
British India	96.1	32.8	116.3	—	118.4	—	118.4	—	108.6	—	108.6	—
Switzerland	87.4	12.3	92.2	12.6	106.0	—	101.6	1.7	103.7	—	96.3	1.3
Russia	—	—	—	—	—	—	2.6	—	45.3	—	73.1	—
Sweden[11]	75.4	—	75.5	—	73.6	—	73.4	—	72.8	—	63.5	—
Uruguay[12]	63.8	—	62.3	—	58.5	—	58.1	—	57.4	—	57.0	—
Denmark	60.8	—	61.0	—	61.2	—	61.2	—	56.2	—	56.1	—
South Africa[13]	35.5	6.6	50.4	8.7	51.6	9.1	53.8	6.7	54.8	5.8	55.0	6.0
Brazil[14]	26.4	—	32.9	—	42.4	—	45.9	—	48.7	—	53.8	7.9
Dutch East Indies	69.5	—	88.8	—	58.7	—	61.5	—	62.9	—	53.7	—
Belgium	51.4	—	51.4	—	51.4	—	51.9	—	52.2	—	52.5	—
Chile[15]	30.3	17.3	38.9	8.8	40.0	7.8	40.1	7.6	38.2	7.6	42.2	12.3
Norway	39.0	—	39.5	—	39.5	—	39.5	—	39.5	—	39.4	—
New Zealand[7]	38.3	—	37.3	—	37.4	—	38.4	—	38.3	—	37.6	—
Czechoslovakia	—	—	4.1	—	12.5	—	20.5	—	26.9	—	27.1	—
Roumania[16]	0.3	34.4	0.3	34.4	0.3	34.4	7.6	34.4	24.6	21.8	26.0	21.8
Peru[17]	19.1	—	22.7	—	21.9	—	22.0	—	22.6	—	22.5	—
Poland	1.6	—	3.0	—	5.9	—	9.8	—	13.1	—	20.0	—
Egypt	0.7	15.8	0.8	15.8	0.8	15,8	0.8	15.8	10.4	6.2	16.5	—
S. H. S.	12.2	—	12.4	—	14.3	—	12.3	—	13.3	—	14.0	—
Venezuela[18]	9.0	—	12.4	—	10.7	—	10.6	—	10.7	—	12.5†	—
Portugal	9.3	—	9.3	—	9.3	—	9.3	—	9.3	—	9.3	—
Finland	8.2	—	8.2	—	8.2	—	8.4	—	8.2	—	8.4	—
Bolivia[18]	8.4	—	8.4	—	8.4	—	8.2	—	8.2	—	8.2	—
Bulgaria	7.1	—	7.2	—	7.3	—	7.4	—	7.6	—	7.8	—
Greece	10.7	—	10.8	—	10.8	—	5.9	4.8	7.2	4.8	7.5	4.8
Hungary	—	—	—	—	—	—	—	—	4.6	—	6.9	—
Colombia[19]	—	—	—	—	—	—	—	—	1.8	3.0	6.8	2.4
Ecuador[20]	3.7	—	4.4	—	4.6	—	4.6	—	4.7	—	4.7	—
Salvador[21]	4.9		2.4		2.0		2.8		3.0		4.2	
Lithuania	—	—	—	—	—	—	1.5	—	1.6	—	3.1	—
Austria	—	—	0.011	—	0.016	—	0.009	—	1.3	—	1.6	—
Latvia[22]	—	—	—	—	2.1	—	2.6	—	2.4	0.8	1.0	3.6
Costa Rica[23]	1.5	—	1.2	—	0.8	—	0.7	—	0.7	—	0.7	—

(The various amounts given in the footnotes are all expressed in millions of dollars.)

* Partly held abroad. † June 1924.

1 Total gold stock, including gold in circulation. 2 Treasury and Bank of England.

3 Bank of Japan and reserve held against Government notes. The total specie reserve at home of the Bank of Japan and the Government amounted at the end of each year under review to 349.9, 556.3, 610.6, 605.6, 602.1 and 598.6, and the reserve abroad to 669.4, 529.8, 426.2, 306.6, 221.8 and 164.0

4 Bank of Spain and Government. 5 Conversion Office and all banks. Gold abroad refers to Government gold with Legations.

6 Commonwealth Bank and private banks. 7 Gold and silver; averages of last quarter. 8 Government and the three banks of issue.

9 Total gold holdings of Government and Chartered Banks.

10 All banks of issue; including a small amount of subsidiary coin of the private banks of issue.

11 Excluding gold held by private banks, which amounted at the end of each year under review to 0.2; 0.2; 0.2; 0.3; 0.3 and 0.2.

12 Bank of the Republic and private banks; the gold in the Bank of the Republic only amounted at the end of 1919 to 56.2, to 57.0 in 1920 and to 56.8 in the other years

13 The reserve at home for 1919 and 1920 and the reserve held abroad for all the years include subsidiary coin.

14 From 1919 to 1922 Government reserve; for 1923 and 1924 reserve of the Bank of Brazil.

15 Conversion office and private banks; the gold held abroad belongs to the Conversion Office; the figures for the Conversion Fund at home are, for the years under review, 24.5; 32.8; 33.9; 33.9; 33.9 and 34.9.

16 Excluding gold held in Russia. (*Vide* notes Vol. II.)

17 From 1919 to 1921 Junta de Vigilancia, since 1922 Banco de Reserva; including gold holdings of private banks.

18 Four banks of issue; the total gold holdings in Venezuela amounted at the end of 1919 to 20.5.

19 Gold of the Bank of the Republic, which was founded in 1923.

20 Six banks of issue. 21 Three banks of issue. 22 Government and State Bank. 23 Banco Internacional and three private banks of issue.

In Table P below are shown the percentages which the gold holdings constituted of the total note circulation. In certain cases notes replacing token money have been omitted. It should perhaps be remarked in this connection that no account has been taken of the facts that in certain countries, as, for instance, Spain, Bulgaria and Ecuador, a part of the reserve is legally held in silver; that in others, as, for instance, the countries of the Latin Union, the "étalon boîteux" system still formally obtains. These variations in the banking laws do not, and the value of the silver reserves can only in relatively few cases, affect the capacity of a country to get back to a working gold basis. Spain (651,000,000 pesetas), France (306,000,000 frs), Italy (124,000,000 lire), Switzerland (87,000,000 frs.), and Belgium (74,000,000 frs.) are the only countries in Europe with appreciable silver reserves at the end of 1924.

TABLE P.

SHOWING GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION AT THE END OF EACH QUARTER 1920-1924.

Country	1920	1921				1922				1923				1924			
	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Venezuela																	
4 Banks of Issue . .	240	—	184	—	159	—	161	—	155	—	162	—	159	—	170	—	—
Canada																	
Government and Chartered Banks [1]	81	84	86	87	92	97	98	95	130	114	111	97	98	95	96	98	114
Chartered Banks . .	45	52	50	51	55	57	56	53	69	51	51	43	42	44	45	47	45
New Zealand																	
Banks of Issue [2] . .	93	99	97	107	103	104	107	120	116	120	118	123	120	120	118	122	113
United States																	
Government and Banks [3]	49	59	69	80	85	95	99	98	94	99	100	99	100	108	114	116	109
Federal Res. Banks.	58	70	85	83	115	128	136	135	127	137	140	139	137	157	171	177	158
South Africa																	
Reserve Bank and Joint-Stock Banks [4]	114	125	125	121	120	129	137	123	104	106	81	99	95	99	99	104	94
Uruguay																	
Bank of the Republic [5]	85	85	82	84	83	84	87	90	86	83	86	87	80	78	84		80

1 Total of Chartered Banks' reserves and Government reserve against Dominion notes as percentage of the total of the banknotes and the small Dominion notes; see Notes, Vol. II.

2 Gold and silver; quarterly averages.

3 Gold of the Treasury, plus gold of the Federal Reserve Banks, expressed as percentage of notes of the Government, Federal Reserve Banks and National Banks. Gold certificates held by the Federal Reserve Banks having been considered as gold, the stock of gold held by the Treasury against certificates outstanding has been excluded. The gold holdings of the National Banks are not available for the last quarter of 1920 and for the first quarter of 1921. For all the other dates the percentages given above, if the gold held by the National Banks be added, are raised by one point.

4 Up to March 1921 including subsidiary coin, which amounted to about 10% of the reserve. Since September 1922, gold reserve of the Reserve Bank to total circulation of Reserve Bank notes.

5 Gold against the total of "emisión mayor" and "emisión menor".

Table P (*continued*).

SHOWING GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION AT THE END OF EACH QUARTER

1920 1924.

Country	1920	1921				1922				1923				1924			
	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Argentine																	
Conversion Office and Legations . .	80	80	80	80	80	80	80	80	80	80	80	80	79	79	78	78	78
Conversion Office [1]	80	80	80	80	80	80	80	80	80	80	80	80	79	79	78	78	78
Peru																	
Reserve Bank [2] . .	60		60		60	60	62	70	80	75	76	77	77	78	77	80	76
Japan [3]																	
Government and Bank of Japan .	88	100	100	100	83	96	93	88	71	87	78	74	64	81			68
Bank of Japan . .	87	100	100	99	81	95	92	86	68	85	77	73	62	80	78	86	68
Bolivia																	
4 Banks of Issue . .	51	—	57	—	64	—	66	—	68	—	66	—	65	—	63	—	61
Salvador																	
3 Banks of Issue [4] .	58	—	56	—	58	—	57	—	59	—	55	—	60	—	53	—	58
Spain																	
Bank of Spain. . .	57	58	59	59	59	60	61	61	61	62	62	61	58	58	58	57	56
Ecuador																	
6 Banks of Issue . .	55	58	57	60	59	58	58	58	59	59	60	61	60	59	59	57	55
Switzerland																	
National Bank [5] .	52	54	57	56	54	65	67	62	55	58	59	57	55	59	58	57	55
Netherlands																	
Netherlands Bank .	59	59	61	61	60	61	60	59	58	60	64	58	55	56	54	54	54

[1] Including the part of the Government reserve which is held with the Bank of the Nation.
[2] Up to the end of 1921 "Junta de Vigilancia".
[3] Gold reserves against notes only. Part was held abroad up to July 1922; the exact amount of the additional gold reserves of the Government and the Bank is not known (see Notes, Vol. II).
[4] Gold partly held abroad.
[5] Including notes of the Federal Loan Bureau.

Table P (*continued*).

SHOWING GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION AT THE END OF EACH QUARTER 1920-1924.

Country	1920	1921				1922				1923				1924			
	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Colombia																	
Bank of the Republic	—	—	—	—	—	—	—	—	—	—	—	—	106	93	51	48	53
Total circulation [1] .	—	—	—	—	—	—	—	—	—	—	—	—	21		20		
Dutch East Indies																	
Banks of Java . .	60	69	72	60	52	58	57	55	58	60	56	62	60	60	56	57	48
Australia																	
Commonwealth Bank Issue Dept. [2] . .	42	41	48	46	44	45	52	50	48	51	51	53	51	52	51	51	48
Sweden																	
Bank of Sweden .	37	39	41	41	44	44	48	45	47	47	47	46	47	49	44	44	44
Denmark																	
National Bank. . .	41	44	46	47	48	51	52	49	50	49	47	46	44	45	44	44	44
United Kingdom																	
Treasury and Bank of England . . .	33	35	36	37	36	39	39	40	39	40	40	40	38	40	39	40	39
Bank of England .	97	99	99	103	102	105	105	105	102	102	102	103	100	102	101	104	100
Chile																	
Conversion Office:																	
At home and abroad	38				35	38	39	43	38	41	36	44	39	45	41	44	39
At home	30				29	31	31	35	31	33	29	35	32	34	32	32	29
Norway																	
Bank of Norway [3] .	30	35	35	35	36	38	38	38	38	39	35	37	37	39	37	38	38
Lithuania																	
Bank of Lithuania	—	—	—	—	—	—	—	—	50	37	34	31	27	34	36	34	33

[1] Gold reserve of the Bank of the Republic to total circulation of Bank of Republic, Government and private banknotes.
[2] The additional gold held in the Banking Department is not shown separately.
[3] Excluding small Government notes.

Table P (*continued*).

SHOWING GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION AT THE END OF EACH QUARTER 1920-1924.

Country	1920	1921				1922				1923				1924			
	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Latvia																	
Government and Bank of Latvia [1]	—	—	33	29	24	29	29	28	22	22	23	25	25	29	31	35	33
Bank of Latvia . .	—	—	—	—	—	—	—	—	1	4	15	14	14	22	27	40	33
Germany																	
All note-issuing institutions [2] . .	—	—	—	—	—	—	—	—	—	—	—	—	23	19	18	19	21
Reichsbank	1.6	1.6	1.5	1.2	0.88	0.76	0.59	0.32	0.079	0.018	0.004	3	94	67	42	38	39
Poland																	
National Bank [4] .	0.025	0.018	0.014	0.013	0.011	0.012	0.010	0.007	0.005	0.002	0.001	0.0005	0.00004	0.00001	25	22	19
Brazil																	
Government and Bank of Brazil [5] .	3.2	3.4	3.6	3.6	3.7	4.1	3.9		3.7				3.4				
Bank of Brazil . .	—	—	—	—	—	—	—	—	—	—	—	50	23	24	22	15	16
France																	
Bank of France at home and abroad	14.5	14.3	14.8	14.9	15.2	15.6	15.3	15.1	15.4	14.9	15.1	14.7	14.7	13.9	14.0	13.7	13.7
Bank of France at home	9.4	9.3	9.5	9.6	9.8	10.1	9.9	9.8	10.2	9.9	10.0	9.8	9.7	9.2	9.3	9.1	9.1
British India																	
Currency Dept. [6] .	15	15	14	14	14	14	14	13	14	14	14	14	12	12	13	12	12
Hungary																	
National Bank [7] . .	—	—	—		0.048				0.021	0.028	0.014	0.0038	0.0024	0.0015	8.5	13.1	11.2
Italy																	
3 Banks of Issue + Treasury at home and abroad . . .	7.5	7.8	8.1	8.1	7.8	8.3	8.4	8.4	8.5	8.9	8.7	8.8	8.7	8.9	8.6	8.5	8.4
3 Banks of Issue at home and abroad	7.5	7.9	8.2	8.3	7.9	8.4	8.6	8.5	8.6	9.1	8.9	9.1	8.7	9.2	8.8	8.7	8.6
3 Banks of Issue at home	5.4	5.7	5.9	6.0	5.7	6.1	6.2	6.2	6.3	6.6	6.5	6.6	6.5	6.7	6.4	6.4	6.2
3 Banks of Issue + Treasury at home	4.8	5.1	5.3	5.3	5.1	5.5	5.6	5.5	5.6	5.9	5.8	5.9	5.9	5.9	5.7	5.7	5.6

[1] Gold holdings in latu against the circulation of banknotes and Government notes, the latter being counted at the rate of 50 roubles = 1 lat. — [2] Gold reserves of the Reichsbank and of the private banks of issue against total net circulation of authorised notes, including Rentenbank notes and emergency issues (see Notes, Vol. II). — [3] This percentage is 0.000000000016. — [4] Up to the end of April 1924, National Loan Bank. — [5] Up to June 1923, Government gold against Government notes. — [6] Gold reserve as percentage of gross circulation. — [7] Up to June 24th, 1924: Austro-Hungarian Bank, Hungarian Section.

Table P (*concluded*).

SHOWING GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION AT THE END OF EACH QUARTER 1920-1924.

Country	1920	1921				1922				1923				1924			
	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII	III	VI	IX	XII
Egypt																	
National Bank of Egypt	9.1	9.9	10.9	9.8	9.6	10.6	12.0	12.3	10.7	11.5	13.2	12.5	9.9	10.7	12.1	10.4	8.2
Belgium																	
National Bank. . .	4.3	4.4	4.4	4.3	4.2	4.2	4.2	4.1	3.9	3.9	3.9	3.8	3.6	3.5	3.5	3.6	3.5
Finland																	
Bank of Finland . .	3.2	2.9	3.0	3.0	3.1	3.0	3.1	3.1	3.1	2.7	3.0	3.1	3.2	3.1	3.3	3.4	3.4
Czechoslovakia																	
Banking Office of the Ministry of Finance	0.18	0.21	0.37	0.40	0.51	0.63	0.71	0.92	1.0	1.1	1.4	1.5	1.4	1.6	1.6	1.6	1.5
Greece																	
National Bank . .	3.8	3.5	3.2	2.8	2.6	4.7	3.3	2.4	1.8	1.5	1.4	1.4	1.3	1.3	1.4	1.4	1.3
Roumania [1]																	
National Bank at home and abroad	1.9	1.6	1.6	1.5	1.3	1.3	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.4	1.4	1.3	1.3
National Bank at home	0.018	0.016	0.015	0.014	0.012	0.012	0.12	0.11	0.26	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.7
Austria																	
National Bank. . .	0.00047	0.00016	0.00013	0.00011	0.000045	0.000015	0.000008	0.000002	0.000001	1.9	1.4	1.2	1.3	1.5	1.4	1.4	1.3
Kingdom of the Serbs, Croats and Slovenes																	
National Bank. . .	1.9	1.8	2.0	1.7	1.6	1.5	1.3	1.5	1.3	1.2	1.1	1.2	1.2	1.3	1.3	1.2	1.2
Bulgaria																	
National Bank. . .	1.1	1.2	1.2	1.1	1.1	1.0	1.0	0.96	0.98	1.0	1.0	1.0	0.97	0.84	0.83	0.92	0.88
Portugal																	
Bank of Portugal at home and abroad	1.6	1.5	1.5	1.4	1.3	1.3	1.2	1.1	0.9	0.9	0.8	0.7	0.7	0.7	0.6	0.6	0.6
Bank of Portugal at home	1.4	1.4	1.3	1.3	1.2	1.1	1.1	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5

1 Excluding gold deposited in Russia (see Notes, Vol. II).

The countries have been placed in the order of the magnitude of the percentages which the reserves, including the reserves abroad, constituted of the total circulation at the last date for which figures are available.

The table is of particular interest at the present moment in connection with the recent restoration of the gold standard over wide areas of the globe and the proposals which are under discussion at the moment in the Argentine, Finland and elsewhere. It will be seen that the percentage reserves held at the end of 1924 (and they did not decrease in the first four months of 1925) by Australia, South Africa, the Argentine, New Zealand and the Netherlands were all greater than that held by Sweden when she first allowed the free export of gold. That held by the United Kingdom was appreciably lower. The reserves of the Bank of England amounted to £128.6 millions at the end of 1924 and after the transference of the £27 millions of gold from the Treasuryaccount at the end of April 1925 to £155.7 millions.

It is important to remember in connection with these post-war reserves that in very few countries is gold now in active circulation; nor is it as a rule proposed to put it into circulation. But the variations which take place in the total stock of money which a country uses when that money is kept stable with gold are necessarily within relatively narrow limits. When gold constitutes a large part of the circulation, the variation in the note circulation — the fluctuating margin of the total money stock — may constitute an important percentage of the average quantity outstanding. But when notes have replaced gold the volume of the reserve is swollen by receipts from free circulation and the percentage of cover required for the total circulation is less, for of that total circulation a large portion will be required whatever the condition of trade or the change in gold prices. On the other hand, gold in circulation constitutes a form of supplementary reserve against national crises, and there is at the moment a special element of uncertainty resulting from the abnormal world distribution of gold.

For Canada, the percentages shown represent the ratio between the total gold stock and the sum of the net circulation of the Chartered Banks and the Dominion notes of small denominations. The Dominion notes of large denominations are not taken into consideration as they are mainly held by the Banks as cover. This system is arbitrary, as indeed must any system be owing to the somewhat unusual cover and note issue regulations in force in this Dominion. The gold cover held by the Government against the circulation of all forms of Dominion notes was 33% at the end of 1919 and 48% at the end of 1924.

The problem which has faced the Federal Reserve Banks has not been the maintenance of a reserve but the disposal of gold. They have been successful in keeping down the reserves against deposit and Federal Reserve note liabilities during the last three years to a little over 75% as compared with the 40% required by law and preventing any increase in the supply of credit so great as to involve a serious enhancement of prices. As stated above, this has been accomplished in part by putting additional quantities of gold and gold certificates into circulation. Of more interest than the percentage reserve figures are the changes in the composition of the gold holdings of the country. These changes are shown below.

$ (000,000's omitted).

		In circulation	Against certificates	Federal Reserve System	Gold held as assets of the Government	Total
Dec. 1920	$	501	533	1,462	433	2,929
	%	**17**	**18**	**50**	**15**	**100**
Dec. 1921	$	457	710	2,110	380	3,657
	%	**13**	**19**	**58**	**10**	**100**
Dec. 1922	$	429	708	2,455	341	3,933
	%	**11**	**18**	**62**	**9**	**100**
Dec. 1923	$	415	977	2,498	357	4,247
	%	**10**	**23**	**59**	**8**	**100**
Dec. 1924	$	458	1,509	2,242	338	4,547
	%	**10**	**33**	**49**	**8**	**100**

It will be noted that whereas the gold in circulation, plus that held against gold certificates as a percentage of total gold, rose from 29 at the end of 1922 to 33 at the end of 1923 and 43 at the end of 1924, the gold of the Federal Reserve System fell from 62 to 59 and by the end of 1924 to 49.

There is a striking gap in the percentage reserves at the end of 1924 between Latvia and the countries which follow. The low percentages in certain cases are due to the fact that preference is given to dividend-earning foreign assets — in others, to the fact that gold is reckoned at its face value while the paper money has depreciated. It is necessary, therefore, to consider both the relationship which exists between the paper value of the gold reserves of those countries with depreciated currencies and their circulation and the extent to which gold reserves have been supplemented by holdings of foreign assets equivalent or roughly equivalent to gold. The first of these two problems is only of interest when there is an appreciable difference between the external purchasing power of the gold reserve and the paper currency against which that reserve is held. In the following table, therefore, are shown the percentages which the gold reserves constitute of the circulation of those countries whose exchanges are or have been in recent years depreciated by more than 30% after expressing the gold reserves in paper currency units by means of the New York rate of exchange.

TABLE Q

SHOWING CORRECTED VALUE OF GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION

End of	1921	1922	1923		1924			
			VI	XII	III	VI	IX	XII
Ecuador								
6 Banks	117	130	108	116	141	138	143	145
Chile								
Conversion Office at home and abroad	121	109	96	130	153	142	151	123
Conversion Office at home	98	89	78	106	115	111	109	92
Bolivia								
National Bank and private banks	121	103	77	81		77		81
Spain								
Bank of Spain	78	75	80	86	88	84	83	77
Denmark								
National Bank	67	64	71	67	77	74	70	67
Norway								
Bank of Norway	62	53	56	65	75	72	71	65
France								
Bank of France at home and abroad	38	41	46	54	57	51	50	49
Bank of France at home	24	27	31	36	38	34	33	32

Table Q *(continued)*

SHOWING CORRECTED VALUE OF GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION

End of	1921	1922	1923		1924			
			VI	XII	III	VI	IX	XII
Roumania [1]								
National Bank at home and abroad .	32	45	53	50	51	62	49	49
National Bank at home	—	8	27	27	28	34	27	27
Italy								
3 Banks of Issue + Treasury at home and abroad	34	32	36	38	40	38	37	37
3 Banks of Issue at home and abroad	34	33	38	40	41	39	38	38
3 Banks of Issue at home	25	24	27	29	30	29	28	28
3 Banks of Issue + Treasury at home	22	21	24	25	26	25	25	25
Finland								
Bank of Finland	32	23	21	25	23	25	26	26
Bulgaria								
National Bank	28	27	17	23	22	22	24	23
Germany								
Reichsbank.	40	198	195	94	67	42	38	39
All note-issuing institutions	40	207	209	23	19	18	19	21
Poland								
National Bank	8	25	32	67	20	25	22	19
Brazil								
Government and Bank of Brazil . .	16	17	—	19	16	17	19	18
Bank of Brazil				132	111	108	81	73
Kingdom of the Serbs, Croats and Slovenes								
National Bank	20	20	19	20	20	22	17	16
Greece								
National Bank	12	27	8	14	16	16	15	14
Belgium								
National Bank	11	11	14	15	18	15	14	13

[1] Excluding gold transferred to Russia.

Table Q *(concluded)*

SHOWING CORRECTED VALUE OF GOLD RESERVES AS PERCENTAGE OF NOTES IN CIRCULATION

End of	1921	1922	1923		1924			
			VI	XII	III	VI	IX	XII
Portugal								
Bank of Portugal at home and abroad	18	22	19	21	22	23	20	13
Bank of Portugal at home	16	19	16	18	20	21	18	11
Hungary								
National Bank	—	—	—	—	—	9	13	11
Czechoslovakia								
Banking Office of the Ministry of Finance	8	7	10	10	11	11	11	10
Austria								
National Bank	—	—	1	1	2	1	1	1

Of these countries, Austria, Belgium, Bulgaria Czechoslovakia, Greece, Hungary, Poland, Portugal and the Kingdom of the Serbs, Croats and Slovenes all show " corrected " reserves against their circulation of less than 25% at the end of 1924.

The importance of these figures so far as the other countries are concerned must depend on whether they ultimately decide to return to a gold standard or its equivalent by a process of devaluation at approximately present-day values or whether they prefer to raise the gold value of their paper and thus lower the paper value of their gold. As already mentioned, the former process has been adopted in Austria, Germany, Hungary Latvia, Lithuania, Russia and Poland and is officially proposed in Czechoslovakia and Finland. The low gold percentage in most of these countries is explained by the fact that, with the partial exception of Germany, they make no discrimination between gold and first-rate foreign assets, equivalent to gold, as cover for notes and hold the greater or a very important part of their legal reserves in the form of such assets.

Brazil, as mentioned in last year's *Memorandum on Currency*, has introduced a plan of monetary reform the final stages of which are conditional upon the maintenance of an exchange rate on London during three years of 12 pence per milreis as compared with less than 6 pence at the end of December 1924, while the Roumanian policy as at present defined is directed towards a revalorisation of the leu for a period of some fifteen or more years during which the notes shall remain inconvertible.

It is more difficult to show the gold plus the foreign assets reserves against notes or notes plus sight liabilities in a satisfactory manner, for while the gold is always given in bank balance-sheets at its face value, except in the case of the Austrian and Hungarian National Banks, the foreign assets held are nearly always converted into the currency of the particular country not at the par but at the current rate of exchange. The actual amounts and the composition of the foreign exchange holdings of the central banks and, in some cases, of the Governments, are shown in Table V in this volume as well as in the special banking tables in Volume II, and are explained in detail in the notes in that volume. The relative importance of these exchange holdings com-

pared with the metallic reserves is shown in Table R below. No account has been taken of the fact that in some countries (as, for instance, Germany) only a part of the foreign assets held by the note-issuing institutions is included in the legal minimum reserves, the remainder serving as supplementary cover. As far as possible, only actually disposable net holdings have been taken into account. In preparing the table, the two forms of assets have been converted into a common basis by writing up the gold to its paper value in all cases where the foreign assets are accounted at the current rate of exchange. The countries are arranged in the order of the percentage magnitude of their foreign exchange reserves at the end of 1924.

TABLE R

PERCENTAGE COMPOSITION OF METALLIC AND FOREIGN EXCHANGE RESERVES COUNTED AT THE PAPER VALUE OF THE VARIOUS CURRENCIES.

Country	Reserves	End of 1913	End of 1921	End of 1922	End of 1923	End of 1924
Austria	Gold reserve	—	1	1	2	3
	Foreign assets	—	99	99	98	97
	Total	—	100	100	100	100
Danzig	Gold reserve	—	—	—	—	—
	Silver reserve [1]	—	—	—	—	8
	Total metallic reserve	—	—	—	—	8
	Foreign assets	—	—	—	—	92
	Total	—	—	—	—	100
Egypt	Gold reserve at home	56	1	—	5	9
	Gold reserve abroad	—	9	9	3	—
	Total metallic reserve	56	10	9	8	9
	Foreign assets	44	90	91	92	91
	Total	100	100	100	100	100
Hungary	Gold reserve	—	—	—	—	17
	Foreign assets	—	—	—	—	83
	Total	—	—	—	—	100
Latvia	Bank and Treasury:					
	Gold reserve at home	—	—	21	14	6
	Gold reserve abroad	—	—	—	5	22
	Total metallic reserve	—	—	21	19	28
	Bank: Foreign assets	—	—	53	59	56
	Treasury: Foreign assets	—	—	26	22	16
	Total foreign assets	—	—	79	81	72
	Grand total	—	—	100	100	100
Finland	Gold reserve	25	65	30	35	29
	Foreign assets	75	35	70	65	71
	Total	100	100	100	100	100

[1] Including other token coins.

Table R (*continued*).

PERCENTAGE COMPOSITION OF METALLIC AND FOREIGN EXCHANGE RESERVES COUNTED AT THE PAPER VALUE OF THE VARIOUS CURRENCIES.

Country	Reserves	End of 1913	End of 1921	End of 1922	End of 1923	End of 1924
Lithuania	Gold reserve	—	—	46	26	33
	Foreign assets	—	—	54	74	67
	Total . . .	—	—	100	100	100
Poland	Gold reserve	—	(30)	(49)	74	27
	Silver reserve	—	(25)	(25)	13	7
	Total metallic reserve .	—	(55)	(74)	87	34
	Foreign assets [1]	—	(45)	(26)	13	66
	Total . . .	—	100	100	100	100
Australia	Gold reserve in Commonwealth Banks' Issue Department	—	42	41	42	36
	Foreign assets	—	58	59	58	64
	Total . . .	—	100	100	100	100
Germany [2] . . .	Reichsbank: Gold reserve at home .	68				26
	Gold reserve abroad .	—				10
	Private Issue Banks: Gold reserve .	4				3
	Reichsbank: Silver reserve	16				—
	Total metallic reserve .	88				39
	Reichsbank: Foreign assets	12				61
	Total . . .	100				100
Colombia	Gold reserve at home	—	—	—	26	30
	Gold reserve abroad	—	—	—	42	11
	Total metallic reserve .	—	—	—	68	41
	Foreign assets	—	—	—	32	59
	Total . . .	—	—	—	100	100
Russia	State Bank's Issue Department: .					
	Gold reserve	—	—	17	41	40
	Silver and platinum	—	—	—	1	4
	Total metallic reserve . .	—	—	17	42	44
	Foreign assets of the State Bank . .	—	—	83	58	56
	Total . . .	—	—	100	100	100
Greece	Gold reserve at home	10	59	46	26	28
	Gold reserve abroad	—	—	37	17	18
	Total metallic reserve .	10	59	83	43	46
	Foreign assets	90	41	17	57	54
	Total . . .	100	100	100	100	100
Kingdom of the Serbs, Croats and Slovenes . .	Bank and Treasury: Gold reserve .	94	68	78	59	48
	Foreign assets	6	32	22	41	52
	Total . . .	100	100	100	100	100

1 Up to the end of 1922, *gross* balances; in 1923 and 1924, *net* balances (see Notes, Vol. II).
2 Comparable figures for the end of 1921, 1922 and 1923 not available.

Table R (*continued*),

PERCENTAGE COMPOSITION OF METALLIC AND FOREIGN EXCHANGE RESERVES COUNTED AT THE PAPER VALUE OF THE VARIOUS CURRENCIES.

Country	Reserves	End of 1913	End of 1921	End of 1922	End of 1923	End of 1924
Czechoslovakia . .	Gold reserve	—	51	27	40	51
	Silver reserve	—	22	6	7	7
	Total metallic reserve .	—	73	33	47	58
	Foreign assets	—	27	67	53	42
	Total . . .	—	100	100	100	100
Esthonia	Bank: Gold deposits abroad . . .	—	1	29	—	30
	Treasury: Gold and foreign assets [1]	—	90	62	55	29
	Bank: Foreign assets.	—	9	9	45	41
	Total . . .	—	100	100	100	100
Sweden	Gold reserve	44	68	52	65	63
	Foreign assets	56	32	48	35	37
	Total . . .	100	100	100	100	100
Bulgaria	Gold reserve	60	57	59	40	45
	Silver reserve [2]	25	31	28	17	19
	Total metallic reserve .	85	88	87	57	64
	Foreign assets	15	12	13	43	36
	Total . . .	100	100	100	100	100
Canada	Treasury: Gold reserve	46	30	38	41	43
	Chartered Banks:					
	Gold reserve at home	11	25	26	19	17
	Gold reserve abroad	8	7	4	4	4
	Total metallic reserve .	65	62	68	64	64
	Chartered Banks: Foreign assets .	35	38	32	36	36
	Total . . .	100	100	100	100	100
Brazil	Gold reserve at home	—	—	—	74	59
	Gold reserve abroad	—	—	—	—	9
	Total metallic reserve .	—	—	—	74	68
	Foreign assets	—	—	—	26	32
	Total . . .	—	—	—	100	100
Portugal	Gold reserve at home	100	86	73	74	63
	Gold reserve abroad	—	11	9	10	8
	Total metallic reserve .	100	97	82	84	71
	Foreign assets	—	3	18	16	29
	Total . . .	100	100	100	100	100

1 The figure for end of 1924 represents gold exclusively.
2 The face value of the silver converted into paper at the gold rate.

Table R (*continued*)

PERCENTAGE COMPOSITION OF METALLIC AND FOREIGN EXCHANGE RESERVES COUNTED AT THE PAPER VALUE OF THE VARIOUS CURRENCIES.

Country	Reserves	End of 1913	End of 1921	End of 1922	End of 1923	End of 1924
Switzerland	Gold reserve at home	75	77	74	76	63
	Gold reserve abroad	—	—	1	—	1
	Silver reserve	9	15	15	12	11
	Total metallic reserve	84	92	90	88	75
	Foreign assets	16	8	10	12	25
	Total	100	100	100	100	100
Netherlands[1]	Gold reserve	89	92	81	92	76
	Foreign assets	11	8	19	8	24
	Total	100	100	100	100	100
Peru	Gold reserve	—	—	79	86	82
	Foreign assets	—	—	21	14	18
	Total	—	—	100	100	100
South Africa	Gold reserve	—	—	96	78	83
	Foreign assets	—	—	4	22	17
	Total	—	—	100	100	100
Norway	Gold reserve	52	85	78	89	84
	Foreign assets	48	15	22	11	16
	Total	100	100	100	100	100
British India	Currency Dept. of the Treasury:					
	Gold reserve	33	23	21	19	19
	Silver reserve[2]	59	71	74	73	67
	Total metallic reserve	92	94	95	92	86
	Foreign assets	8	6	5	8	14
	Total	100	100	100	100	100
Roumania	Gold reserve at home	73	1	16	46	48
	Gold reserve abroad[3]	—	89	71	41	39
	Total metallic reserve	73	90	87	87	87
	Foreign assets	27	10	13	13	13
	Total	100	100	100	100	100
Japan	Bank: Gold reserve	53	56	66	79	86
	Treasury: Gold reserve	—	10	10	5	2
	Total gold[4]	53	66	76	84	88
	Foreign assets	47	34	24	16	12
	Total	100	100	100	100	100
Denmark[5]	Gold reserve	77	91	95	98	88
	Foreign assets	23	9	5	2	12
	Total	100	100	100	100	100

[1] The figures refer to the end of March in following year. The basic figure for foreign assets in the last column is partly estimated.
[2] The silver reserve is taken at its face value (see Notes, Vol. II).
[3] Excluding gold deposited in Russia (see Notes, Vol. II).
[4] Gold reserves against notes only (see Notes, Vol. II), partly held abroad up to July 1922.
[5] The figures for the end of 1913, 1921, 1922 and 1923 refer to the end of July following year. The figures in the last column refer to the end of March 1925.

Table R (*concluded*).

PERCENTAGE COMPOSITION OF METALLIC AND FOREIGN EXCHANGE RESERVES COUNTED AT THE PAPER VALUE OF THE VARIOUS CURRENCIES.

Country	Reserves	End of 1913	End of 1921	End of 1922	End of 1923	End of 1924
Dutch East Indies [1]	Gold reserve	35	67	56	65	
	Silver reserve	41	16	21	24	
	Total metallic reserve	76	83	77	89	
	Foreign assets	24	17	23	11	
	Total	100	100	100	100	
France	Gold reserve at home	85	56	57	57	57
	Gold reserve abroad	15	4	5	5	5
	Silver reserve [2]	—	30	29	29	29
	Total metallic reserve	100	90	91	91	91
	Foreign assets	—	10	9	9	9
	Total	100	100	100	100	100
Belgium	Gold reserve	53	82	83	82	79
	Silver reserve [2]	12	12	12	12	12
	Total metallic reserve	65	94	95	94	91
	Foreign assets	35	6	5	6	9
	Total	100	100	100	100	100
Uruguay	Gold reserve	100	100	100	98	94
	Foreign assets	—	—	—	2	6
	Total	100	100	100	100	100
Italy	Issue Banks: Gold reserve at home	76	58	58	59	60
	Treasury: Gold reserve at home	7	1	1	1	1
	Issue Banks: Gold reserve abroad	—	22	22	22	22
	Treasury: Gold reserve abroad	—	8	8	8	8
	Silver reserve [2]	6	6	6	7	7
	Total metallic reserve	89	95	95	97	98
	Issue Banks: Foreign assets	11	5	5	3	2
	Total	100	100	100	100	100
Spain	Bank and Treasury: Gold reserve	34	83	82	84	84
	Silver reserve	52	16	17	15	15
	Total metallic reserve	86	99	99	99	99
	Foreign assets	14	1	1	1	1
	Total	100	100	100	100	100

[1] The figures refer to the end of March following year.
[2] The face value of the silver converted into paper at the gold rate,

The above table only contains countries with central banks. The United States and the United Kingdom are not included, as the central banks do not show any foreign assets in their published returns. On the other hand, as these countries are the principal financial centres of the world, they probably hold the main part of the foreign balances which, as shown in Table V, constitute the greater part of the exchange reserves of the various countries included in the table.

Most of the foreign bills held by the central banks in the other countries are likewise payable in dollars and pounds sterling.

As shown in Table V, the central banks' holdings of foreign Government securities are of outstanding importance in Sweden, British India (Issue Department of the Treasury), Australia, Egypt and South Africa. In all these countries, except Australia, and also in certain other countries these securities are admitted as legal cover for the note issue. The foreign securities held by the note-issuing institutions in Egypt, Australia, South Africa and India are exclusively British Government paper. The Chartered Banks of Canada also keep important reserves of British Government securities which, however, are not shown separately in the official returns and have therefore been omitted from the table. Before the war, the Banks of Finland, Norway, Denmark and Italy also held considerable reserves of foreign Government securities.

The figures in Table R above bring out clearly the growing tendency in post-war years to substitute interest-bearing foreign exchange for gold, a tendency which is particularly marked in the case of the countries which have recently established or reorganised their central banks. The increased relative importance of the gold reserve in 1921 as compared with 1913, which may be observed in certain other countries, was largely due to the general concentration with the central banks of gold previously in circulation and of other available gold stocks. But since 1921 the percentage of foreign assets has on the whole tended to increase also in these countries. The growth of the foreign assets reserves in 1924 reflects the more active policy of exchange stabilisation discussed above.

Since notes constitute only a part of the immediate liabilities of the central banks, and a part the importance of which varies from country to country, it is necessary to compare the gold and foreign exchange reserve not only with them but also with the total of notes plus other sight liabilities. This is done in Table S below. In the case of those countries in which the currency depreciation has gone so far as to render devaluation necessary before a return to the gold standard can be achieved, a comparison on the basis of the " corrected " values adopted in the preceding table gives a more exact picture of the situation than that shown in Table P above. On the other hand it shows in a light which may be unduly favourable the position of countries intending to raise the external value of their currency before stabilising it; for, as their currency increases in value, both their gold and their foreign assets expressed in terms of that currency must fall. No perfectly satisfactory solution is therefore possible, and the figures must be read with due consideration of the declared or probable monetary policy of the various countries. In the case of those countries whose currencies are at par, naturally no difficulty arises.

In table (see pages 76 to 79) is shown the percentage which the "corrected" gold plus foreign assets constituted of the note circulation at the end of December 1921 and 1922, June and December 1923 and each quarter of 1924, while in the last two columns are given for purposes of comparison: (1) the "corrected" gold alone against notes, (2) the "corrected" gold plus foreign assets against notes plus sight liabilities at the end of 1924.

The table shows that the great majority of the countries of the world possessed adequate reserves at the end of 1924. By a comparison of the last three columns, it is possible to gauge both the relative importance of the gold and the foreign assets and of the notes and sight liabilities. The great and growing importance of the foreign assets reserves in the case of all countries which have recently reformed their currencies or established new banks of issue is illustrated still more clearly than in the preceding Table R. These reforms have not led to any appreciable withdrawal of gold from the United States of America, although there has been a net export since December 1924. This increasing application of a form of the gold exchange standard system is obviously of particular importance in connection with the problem of the probable future demand for gold and the effect of that demand or the restriction thereof on prices.

TABLE S

SHOWING VARIOUS PERCENTAGES WHICH GOLD AND FOREIGN ASSETS RESERVES ("CORRECTED" VALUES) CONSTITUTE OF NOTES AND NOTES PLUS CENTRAL BANKS' SIGHT LIABILITIES*

End of	Gold reserves plus foreign assets as percentage of note circulation								Gold reserves as % of notes	Gold + foreign assets as % of note + sight liabilities*
	1921	1922	1923		1924				1924	1924
	XII	XII	VI	XII	III	VI	IX	XII	XII	XII
Latvia										
Government and Bank of Latvia	—	465	354	317	303	300	292	270	33	(62)
Bank of Latvia	—	106	130	126	123	118	116	117	33	79
Canada										
Government and Chartered Banks	157	192	170	157	152	144	127	178	115	(25)
Chartered Banks	127	141	118	110	110	102	81	120	45	15
Australia										
Commonwealth Bank, Issue Dept.	122	130	128	134	—	142	—	134	49	83
Egypt										
National Bank of Egypt	114	124	113	129	122	124	124	130	9	69
Colombia										
Bank of the Republic	—	—	—	161	163	125	125	128	52	98
Total circulation	—	—	—	32	—	48	—	—	—	—
Japan[1]										
Government and Bank of Japan	139	120	133	103	141			127	(90)	(111)
Bank of Japan	133	96		79				101	(88)	64
South Africa										
Reserve Bank	—	115	104	131	136	126	129	114	95	81
United States[2]										
Government and all Banks . .	85	94	100	100	108	114	116	109	109	(60)
Federal Reserve Banks	115	127	140	137	157	171	177	158	158	70

* In the case of countries with a mixed currency system, the percentage ratio of total gold and foreign exchange reserves ("corrected" values) to the sight liabilities of the Central Bank plus total net circulation is shown in brackets in the last column for the purpose of comparison.

[1] Owing to lack of data the figures in the penultimate column refer only to the reserves held as cover for notes. Other figures refer to the "total specie reserves" of the Government and the Bank (see Notes, Vol. II).

[2] Gold only.

Table S (*continued*)

SHOWING VARIOUS PERCENTAGES WHICH GOLD AND FOREIGN ASSETS RESERVES ("CORRECTED" VALUES) CONSTITUTE OF NOTES AND NOTES PLUS CENTRAL BANKS' SIGHT LIABILITIES*

End of	Gold reserves plus foreign assets as percentage of note circulation								Gold reserves as % of notes	Gold + foreign assets as % of note + sight liabilities *
	1921	1922	1923		1924				1924	1924
	XII	XII	VI	XII	III	VI	IX	XII	XII	XII
Peru										
Reserve Bank	—	114	—	109	108	103	107	108	88	96
Lithuania										
Bank of Lithuania	—	109	107	105	114	118	102	100	33	75
Finland										
Bank of Finland	49	79	65	70	81	54	61	91	26	76
Uruguay										
Bank of the Republic	123	104	112	108	111	115		90	85	62
Danzig										
Bank of Danzig	—	—	—	—	136	113	106	87	—	61
Norway										
Bank of Norway	73	67	64	73	83	80	84	78	65	61
Spain										
Bank of Spain	79	76	81	87	89	84	84	78	77	52
Denmark [1]										
National Bank	73	67	74	70	84	72	79	77	67	66
Switzerland										
National Bank	60	64		70				76	55	68
Netherlands [2]										
Netherlands Bank.	70	76		66	(66)			69	54	64

* See same note on preceding page.

1 Gold and gross holdings of foreign assets; net holdings shown separately only in annual reportsly referring to the end of July (see Notes, Vol. II).

2 Figures based on annual reports refer to end of March of following year. The weekly returns do not give full details. The foreign assets at the end of 1924 (March 1925) are partly estimated, the reports not being available.

Table S (*continued*)

SHOWING VARIOUS PERCENTAGES WHICH GOLD AND FOREIGN ASSETS RESERVES ("CORRECTED" VALUES) CONSTITUTE OF NOTES AND NOTES PLUS CENTRAL BANKS' SIGHT LIABILITIES *.

End of	Gold reserves plus foreign assets as percentage of note circulation								Gold reserves as % of notes	Gold + foreign assets as % of notes + sight liabilities *
	1921	1922	1923		1924				1924	1924
	XII	XII	VI	XII	III	VI	IX	XII	XII	XII
Sweden										
Bank of Sweden	70	90	79	73	68	59	62	69	44	44
Poland										
National Bank	20	38	41	117	77	102	73	68	19	59
Hungary										
National Bank	7	10	26	11	21	32	47	67	11	46
Russia										
State Bank.	—	571	122	86	99	88	67	67		34
Dutch East Indies [1]										
Bank of Java	77	85		78	(78)			58	48	43
Germany										
All note-issuing institutions . .	—	—	—	—	—	—	—	55	21	(45)
Reichsbank.								106	39	75
Roumania [2]										
National Bank:										
Gold at home and abroad + foreign assets	36	52	61	57	58	69	56	55	49	53
Gold at home + foreign assets.	4	15	35	34	35	41	34	33	27	32
France										
Bank of France:										
Gold, at home and abroad + foreign assets	42	46	51	60	63	57	55	54	49	52
Gold at home + foreign assets.	29	32	35	42	44	40	38	38	32	36
Esthonia										
Government and Bank of Esthonia	89	58	48	47	48	39	33	49	29	(24)
Bank of Esthonia	95	68	31	41	42	19	31	69	29	22
Austria										
National Bank	3	4	48	62	57	42	48	45	1	42

* See same note on page 76.
1 See note 2 on preceding page.
2 Excluding gold deposited in Russia.

Table S *(continued)*

SHOWING VARIOUS PERCENTAGES WHICH GOLD AND FOREIGN ASSETS RESERVES ("CORRECTED" VALUES) CONSTITUTE OF NOTES AND NOTES PLUS CENTRAL BANKS' SIGHT LIABILITIES*

End of	Gold reserves plus foreign assets as percentage of note circulation								Gold reserves as % of notes	Gold + foreign assets as % of note + sight liabilities *
	1921	1922	1923		1924				1924	1924
	XII	XII	VI	XII	III	VI	IX	XII	XII	XII
Bulgaria										
National Bank	34	33	28	46	38	34	41	42	23	30
United Kingdom [1]										
Treasury and Bank of England .	42	40	41	42	45	44	43	40	40	(28)
Bank of England	119	107	108	111	116	114	113	104	104	44
Italy										
3 Banks of Issue + Treasury:										
Gold at home and abroad + foreign assets	34	34	38	39	41	39	38	38	37	(31)
3 Banks of Issue:										
Gold at home and abroad + foreign assets	37	35	40	41	43	40	39	39	38	32
Gold at home + foreign assets	27	26	29	30	31	30	25	29	28	21
3 Banks of Issue + Treasury:										
Gold at home + foreign assets	19	20	21	21	22	22	22	21	25	(23)
Kingdom of the Serbs, Croats and Slovenes										
National Bank	29	26	31	34	25	27	32	33	16	31
Greece										
National Bank	21	33	16	32	34	48	45	30	14	18
Brazil										
Government and Bank of Brazil	16	17		26	22	26	25	26	18	(21)
Bank of Brazil	—	—	—	178	153	167	106	108	73	50
Czechoslovakia										
Banking Office of the Ministry of Finance	13	13	30	22	19	20	19	19	10	16
Portugal										
Bank of Portugal:										
Gold at home and abroad + foreign assets	18	27	24	25	25	26	22	17	13	17
Gold at home + foreign assets .	16	24	22	22	22	24	20	16	11	16
Belgium										
National Bank	12	12	15	16	19	16	15	15	13	14

* See same note on page 76.
1 Gold only.

It is noticeable that the older banks and those which have undergone no radical change appear as a general rule to have maintained their pre-war preference for gold. Thus the banks of Belgium, France, Italy and Spain hold foreign assets, which relatively to their gold reserves are very much lower than those of Austria, Hungary, Latvia, Poland and even Germany, where, as already pointed out, a substantial gold reserve is demanded by the new Statutes of the Reichsbank.

So long as gold did not move freely as an international means of payment, the maintenance of considerable foreign floating reserves was of course inevitable, and it remains to be seen to what extent the 1925 development of the free gold market will affect the size of these reserves. Their reduction would not, of course, necessarily entail any marked increase in the demand for gold, but the mere fact that gold is re-assuming its pre-war function must render it possible to dispense with a part of the alternative instruments of exchange which were alone available during its temporary burial.

As already stated, the strengthening of the reserve position is a general characteristic of the two last years, but there are one or two interesting exceptions to this rule. Esthonia constitutes perhaps the most striking. Its total net reserve of gold and foreign assets fell from 6.3 million dollars at the end of 1922 to 2.5 millions at the end of September 1924, since when it has considerably increased. This fall was due in part to the poor harvest of 1922, and in part to a liberal policy of cheap domestic credit. An adverse balance of payments and cheap domestic credit must after a certain point lead either to a fall in the exchange rates or to an export of accumulated capital assets. The exchange in Esthonia was, in point of fact, allowed to fluctuate only within relatively narrow limits.

A somewhat similar, though much less marked, movement in the reserve position of Latvia in 1924 was in part due to the fact that the Government liquidated part of the foreign debt from the foreign balances of the State Credit Department and of the Bank of Latvia, which is a State institution.

During the second quarter of 1924 there was likewise a considerable reduction in the reserve of the Bank of Austria, due mainly to the stock exchange slump and adverse effects of speculation in the French franc. With a view to strengthening the position of the Bank, the discount rate was raised in June to 12% and in August to 15%, as a result of which the reserve position improved. In September the National Bank introduced a system of combined spot and forward transactions in foreign exchange, the so-called *Kostgeschäft*. Under this system the Bank undertook for a commission to resell foreign exchange purchased by it in Austria after a specified period at its purchase price. These operations, which represent in point of fact a special form of advance by the Bank, developed rapidly. According to an amendment to the Statutes which came into force on January 1st, 1925, the Bank may include the exchange thus temporarily acquired *(Kostdevisen)*, for which it has incurred an equal liability, only in its supplementary note cover and not in the exchange reserve proper. Since the end of March 1925, when practically all remaining exchange restrictions in Austria were abolished, the *Kostgeschäft* has steadly diminished.

The relative importance of sight liabilities to notes, indicated by the last two columns of Table S, depends both upon the currency system in force and also to some extent upon chance circumstances. In the cheque-using countries the sight liabilities are naturally large. When it happens that in any country large tax receipts are obtained by the Government towards the close of the year, the figures given may be unduly inflated. In certain cases, moreover, the liabilities towards the Government, though shown as sight, may be of such a character that their turnover is exceptionally slow. Such is the case, for instance, in Austria. The importance of the note circulation in relation to the other liabilities of the issuing institutions is further discussed below in the special section on the operations of the central banks.

VIII. PRODUCTION OF AND TRADE IN GOLD.

There was again a considerable increase in the world's output of gold in 1924, mainly due to the increased production of the Transvaal. The total output was thus only about 18%

TABLE T.
SHOWING THE WORLD'S PRODUCTION OF GOLD.
(In millions of fine ounces.)

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924*
Transvaal	8.8	8.4	9.1	9.3	9.0	8.4	8.3	8.2	8.1	7.0	9.1	9.6
United States	4.3	4.6	4.9	4.5	4.1	3.3	2.9	2.5	2.4	2.4	2.5	2.5
Australasia	2.6	2.4	2.3	1.9	1.7	1.5	1.3	1.1	0.9	0.9	0.9	0.8
Other countries . . .	6.6	5.9	6.4	6.3	5.5	5.4	5.2	4.5	4.6	5.1	5.3	5.7
Total. . .	22.3	21.3	22.7	22.0	20.3	18.6	17.7	16.3	16.0	15.4	17.8	18.6
Equivalent in millions of U. S. dollars** .	459.9	439.1	468.7	454.2	419.4	383.6	365.8	337.0	330.2	319.2	368.0	384.5

* Estimate.
** According to the compilations of the Federal Reserve Board.

below the maximum reached in 1915 compared with a drop of 32% in 1922, the year of the Rand strike, and over 29% in the preceding year. The Australian production continues to decrease, being estimated at only $17 million in 1924 compared with $18 million in 1923 and $19 million in 1922; that of Canada has risen rapidly from $19.1 million in 1921 to $31.5 million in 1924. The output of the British Empire was during the last year recorded above approximately $2.4 million lower than in 1914, whereas that of other countries was nearly $53.5 million lower.

Details concerning the imports and exports of coin and bullion are given in the *Memorandum on Balance of Payments and Foreign Trade Balances* [1].

The two following tables are confined to showing the net imports and exports by certain countries or groups of countries into and from the United Kingdom and the United States. Certain adjustments of the figures as published in the Trade Returns of the United Kingdom have to be made in order to obtain the actual trade balance, because all gold other than coins legal tender in the United Kingdom is entered in these returns at its commodity value, which, in terms of pounds sterling, is subject to constant fluctuation. To arrive at roughly comparable figures, the monthly totals of imports and exports except legal tender coin have been recalculated on the basis of the average monthly London price of gold by deducting from the figures in the trade returns percentages equal to the percentage discount of the English Mint parity in the average gold quotation, month by month. The figures in Table U (see following page), giving the quarterly import and export balances, can therefore be taken to represent a rough approximation to the actual gold movement of the United Kingdom expressed in pounds sterling at Mint parity.

The net exports of gold from the United Kingdom were almost the same in 1924 as in 1923. But almost £10 million less (at Mint parity) came through from the Transvaal and Rhodesia in the later than in the earlier year, and this in spite of an increased African output. British India, on the other hand, took £7 million less. The reason for this decrease in the inflow and outflow was that India imported very considerable sums direct from South Africa. Of her total recorded imports during the year 1924, $145.5 million, 37% came

[1] *Memorandum on the Balance of Payments and Foreign Trade Balances*, 1910-23 and 1910-24.

TABLE U.*

SHOWING THE GOLD MOVEMENT OF THE UNITED KINGDOM BY QUARTERS, 1920 to 1924.

£'s at mint parity (000's omitted).

Quarters	Russia	Sweden	Netherlands	France	Belgium	U.S.A.	West Africa	South Africa	Rhodesia Transvaal	British India	Egypt	Other countries	All countries
1920													
1st	—	+ 254.0	+ 158.5	— 256.7	+ 40.8	— 2,366	+ 143.6	—2,165.6	+ 5,925	— 9,243	— 13.2	—1,661	— 9,184
2nd	—	+ 86.2	+ 3.4	+ 207.3	— 7.1	— 6,144	+ 180.8	—2,473.3	+ 6,348	— 4,845	— 122.2	—2,134	— 8,900
3rd	+ 532.9	— 55.5	+ 12.5	+ 5.6	— 1.5	— 8,314	+ 182.3	— 380.6	+ 6,231	— 2,257	— 263.8	— 350	— 4,658
4th	+ 904.1	+273.4	— 1.0	+4,514.9	+ 0 4	—22,230	+ 210.3	— 357.8	+ 7,253	— 1,621	— 114.7	— 182	—11,350
Total	+1,437.0	+ 558.1	+ 173.4	+4,471.1	+ 32.6	—39,054	+ 717.0	+5,377.3	+25,757	—17,966	— 513.9	—4,327	—34,092
1921													
1st	+ 432.2	+ 199.9	+ 268.4	— 2.8	+ 28.9	— 9,678	+ 200.6	— 371.8	+ 7,499	+ 1,561	—	+ 316	+ 455
2nd	—	+ 24.7	— 24.2	— 5.6	+ 0.8	—12,856	+ 207.1	+ 0.2	+ 7,144	+ 903	—	— 551	— 5,158
3rd	—	—518.5	— 30.2	— 1.2	— 15.1	—12,527	+ 200.3	+ 0.3	+ 6,461	+ 2,994	—	+1,539	— 1,897
4th	—	—	— 0.8	— 6.8	— 10.9	— 9,133	+ 250.3	+ 1 9	+ 7,914	— 171	+ 5.8	— 146	— 1,297
Total	+ 432.2	—293.9	+ 213.3	— 16.4	+ 3.7	—44,194	+ 858.3	— 369.4	+29,018	+ 5,287	+ 5.8	+1,158	— 7,897
1922													
1st	—	—	— 30.1	— 0.3	— 20.1	— 3,829	+ 250.8	+ 0.6	+ 5,589	— 2,588	— 19.8	— 708	— 1,354
2nd	—	—	+ 33.8	— 12.0	— 11.9	— 484	+ 267.4	+ 3.7	+ 5.705	— 4,867	— 4.1	— 38	+ 592
3rd	—	—	— 19.2	—	— 27.3	—11,377	+ 219.2	+ 3.8	+ 8,682	— 2,277	— 7.1	+ 54	— 4,749
4th	—	+ 34.6	— 36.2	—3,389.7	— 71.9	— 8,285	+ 270.0	+ 6.1	+ 9,673	— 2,201	—	— 323	— 4,323
Total	—	+ 34.6	— 51.7	—3,402.0	—131.2	—23,975	+1,007.4	+ 14.2	+29,649	—11,933	— 31.0	—1,015	— 9,834
1923													
1st	—	+ 0.6	— 34.4	—	- 23.8	— 789	+ 355.4	+ 1.6	+ 9,311	—10,945	— 20.6	— 404	— 2,548
2nd	—	+ 0.8	— 209.9	— 33.7	—	— 6,211	+ 299.8	+ 4,7	+10,426	— 4,024	— 502.4	— 212	— 462
3rd	—	+ 4.5	— 437.3	— 0.2	— 20.9	— 7,079	+ 265.7	+ 2.8	+ 9,842	— 2,680	— 698.1	— 364	— 1,165
4th	—	— 51.2	— 678.7	— 86.7	— 13.6	—14,125	+ 242.4	+ 1.5	+ 7,895	— 730	— 754.5	— 332	— 8,633
Total	—	— 45.3	—1,360.3	— 120.6	— 58.3	—28,204	+1,163.3	+ 10.6	+37,474	—18,379	—1,975.6	—1,312	—12,808
1924													
1st	—	— 0.4	— 797.3	— 72.3	— 35.3	—12,081	+ 313.4	—	+ 8,598	— 2,265	—1,274.7	— 472	— 8,087
2nd	—	—	+ 24.3	— 139.8	— 12.3	—10,176	+ 317.0	+ 3.7	+ 9,468	— 3,042	— 46.0	— 338	— 3,942
3rd	—	—282.3	+ 8.4	— 104.5	— 20.8	— 4,336	+ 266.9	+ 1.1	+ 5.511	— 2,461	— 2.9	— 61	— 1,481
4th	—1,912.5	—113.3	— 245.2	— 46.2	— 12.3	+ 2,587	+ 380,7	+ 1.2	+ 4,310	— 3,737	— 49.1	— 276	+ 889
Total	—1,912.5	—396.0	—1,009.8	— 362.8	— 80.7	—24,006	+1,278.0	+ 6.0	+27,887	—11,505	—1,372.7	—1,147	—12,621

* The results of this recalculation may be assumed to be approximately exact for the years 1921 to 1924. In 1920, however, it appears that among exports to the United States of America are included considerable amounts of refined gold which had been imported into the United Kingdom previously and held in the United Kingdom on American account for a considerable period of time. This gold, when exported, appears to be included in the trade returns at its value at the time when imported. In consequence, the totals given are not quite exact for the year 1920.

from the United Kingdom and 44% direct from Africa. In spite of these direct shipments, the marketing of the gold continues to be done through London.

The following table shows the gold movement to and from India, expressed in dollars, for the years 1919 to 1924:

BRITISH INDIA: GOLD MOVEMENTS.
$(000,000's omitted.)

Years	Import.	Export.	Balance
1919 . . .	49.9	60.8	— 10.9
1920 . . .	181.9	22.6	+ 159.3
1921 . . .	29.6	79.8	— 50.2
1922 . . .	85.4	0.2	+ 85.2
1923 . . .	121.2	0.4	+ 120.8
1924 . . .	145.5	0.8	+ 144.7

During the last two years, the net imports into British India and the U.S.A. together have exceeded the world production by 28%.

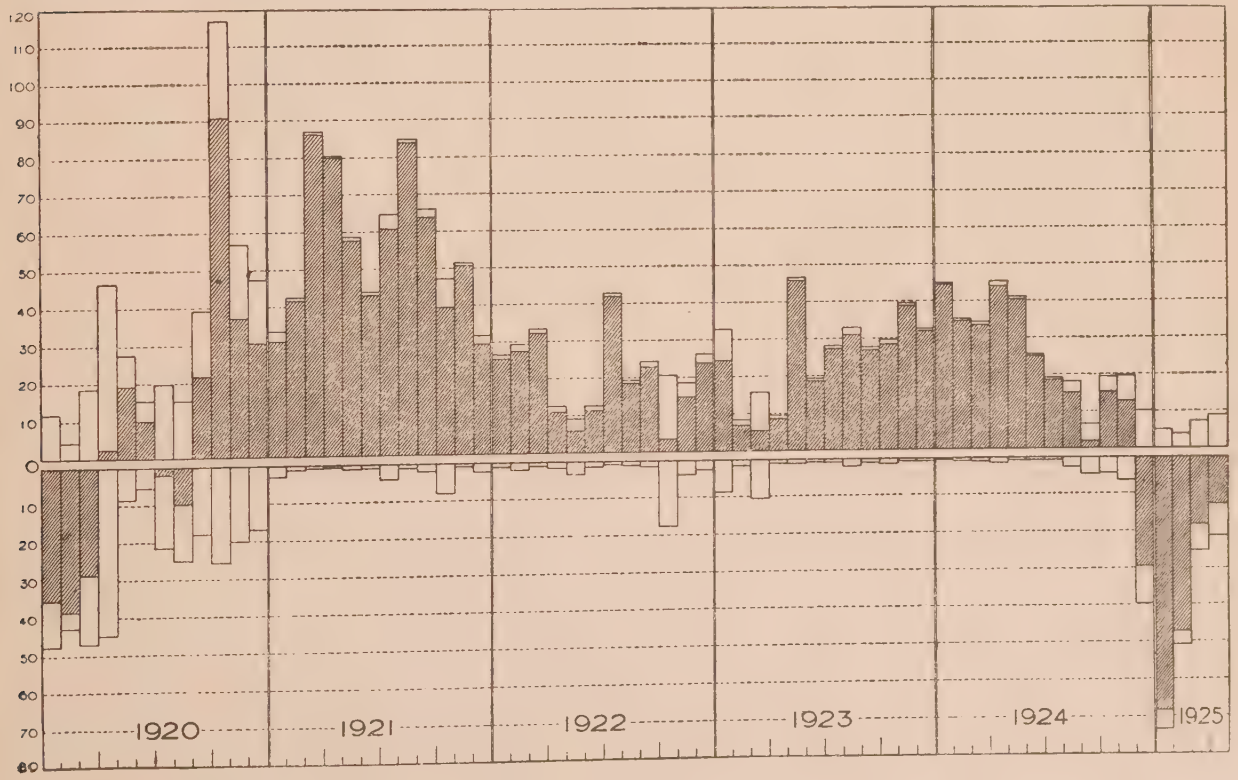
In Table V on the following page the import and export balances of the United States of America are set out quarter by quarter in the same manner as those for the United Kingdom in Table U.

The net imports into the United States showed a slight reduction in 1924 compared with 1923, mainly owing to the demand by India, the reduced receipts from North and Central America and considerable purchases by Germany. South America, mainly the Argentine, sold more than twice as much to the United States as in the preceding year, and on balance they received $4.5 million from Sweden. The greater part of the imports into the U.S.A. took place during the first half-year. As the following diagram shows, there was a gradual diminution of receipts during the latter part of the year and in December and subsequent months a net export.

DIAGRAM No. 20.

UNITED STATES OF AMERICA: GOLD IMPORTS AND EXPORTS FOR EACH MONTH OF THE YEARS 1920 TO 1924.

The columns above the base-line represent imports.
Those below the base-line represent exports.
The shaded portions of the columns represent net imports or exports.



Sweden, which lost gold immediately after the prohibition to export was removed, was able to attract gold from the United States of America during the last quarter of the year.

TABLE V. *

SHOWING THE GOLD MOVEMENT OF THE UNITED STATES BY QUARTERS, 1920 to 1924.

$ (000's omitted).

Quarters	France	Germany	Netherlands	Sweden	United Kingdom	North and Central America[1]	China	British India	Japan	Other Countries	All Countries
1920											
1st	+ 20	— 10	+ 1,161	—	+ 11,045	+ 7,334	— 14,422	— 2,717	— 6,762	— 98,376	— 102,727
2nd	+ 675	—	—	—	+ 49,341	+ 5,700	— 1,864	— 2,643	— 2,000	— 17,447	+ 31,762
3rd	+ 15,893	—	+ 1	+ 1	+ 36,578	+ 3,973	— 9,000	— 1,144	— 38,949	+ 3,038	+ 10,391
4th	+ 32,151	+ 8	+ 937	+ 2,035	+ 177,920	+ 3,358	— 3,000	— 249	— 53,588	+ 7,656	+ 167,228
Total	+ 48,739	— 2	+ 2,099	+ 2,036	+ 274,884	+ 20,365	— 28,286	— 6,753	— 101,299	— 105,129	+ 106,654[2]
1921											
1st	+ 59,520	+ 4	+ 1,557	+ 4,679	+ 51,163	+ 21,390	+ 9,661	+ 8,080	+ 2,208	+ 15,437	+ 173,699
2nd	+ 13,818	+ 4	+ 14,159	+ 37,992	+ 51,087	+ 8,938	+ 4,525	+ 9,066	—	+ 26,014	+ 165,603
3rd	+ 80,731	+ 16,342	+ 2,785	+ 9,558	+ 57,813	+ 8,310	+ 3,193	+ 10,087	—	+ 20,361	+ 209,180
4th	+ 37,378	+ 3,578	+ 1,392	+ 11,484	+ 42,028	+ 7,172	+ 533	+ 3,690	—	+ 12,512	+ 119,767
Total	+ 191,447	+ 19,928	+ 19,893	+ 63,713	+ 202,091	+ 45,810	+ 17,912	+ 30,923	+ 2,208	+ 74,324	+ 668,249
1922											
1st	+ 9,951	+ 5	+ 10	+ 27,957	+ 18,799	+ 7,263	+ 510	— 824	—	+ 21,569	+ 85,240
2nd	+ 2,372	—	—	+ 3,523	+ 6,015	+ 4,754	+ 3,104	— 3,516	—	+ 11,375	+ 27,628
3rd	+ 4,648	+ 8	+ 4,936	+ 942	+ 59,776	+ 1,602	+ 2,082	— 55	—	+ 9,673	+ 83,545
4th	+ 10,072	+ 22	+ 4,993	+ 385	+ 37,273	— 17,664	+ 2,891	— 50	—	+ 3,948	+ 41,882
Total	+ 27,043	+ 35	+ 9,939	+ 32,807	+ 121,863	— 4,045	+ 8,587	— 4,445	—	+ 46,488	+ 238,295
1923											
1st	+ 3,409	—	+ 5,696	—	+ 10,719	+ 26,909	+ 572	— 13,289	—	+ 2,875	+ 36,891
2nd	+ 1,602	+ 26,889	+ 313	+ 3	+ 33,803	+ 5,224	+ 1,548	— 38	—	+ 3,406	+ 72,750
3rd	+ 4,430	+ 15,544	+ 4,893	—	+ 41,649	+ 11,435	+ 1,115	— 488	—	+ 6,425	+ 85,003
4th	+ 6,936	+ 7,119	+ 2,300	+ 2	+ 63,363	+ 8,968	+ 2,243	— 823	—	+ 9,320	+ 99,428
Total	+ 16,377	+ 49,552	+ 13,202	+ 5	+ 149,534	+ 52,536	+ 5,478	— 14,638	—	+ 22,026	+ 294,072
1924											
1st	+ 8,517	+ 2,882	+ 5,917	+ 42	+ 61,971	+ 18,410	+ 722	—	—	+ 14,506	+ 112,967
2nd	+ 1,232	+ 1,937	+ 28,582	+ 6,149	+ 48,521	+ 9,736	+ 2,022	—	—	+ 11,242	+ 109,421
3rd	+ 890	+ 2	+ 2	—	+ 20,401	+ 7,458	+ 1,858	— 3,691	—	+ 9,416	+ 36,336
4th	+ 13,707	— 19,992	+ 15,140	— 1,669	— 12,248	+ 6,711	+ 419	— 7,334	—	+ 4,615	— 651
Total	+ 24,346	— 15,171	+ 49,641	+ 4,522	+ 118,645	+ 42,315	+ 5,021	— 11,025	—	+ 39,779	+ 258,073

* Based on data published by the Federal Reserve Board.
[1] Total of Canada, Mexico, Central America and West Indies.
[2] According to the annual trade return, the final figure should read + 96,482.

IX. CONDITION OF THE CENTRAL BANKS.

In the introduction to the *Memorandum on Central Banks* published last year, a description was given of the principles upon which the comparative study of these was conducted. These principles have been maintained in the present Memorandum. Special emphasis was laid in the last introduction on the considerable difficulties which a direct comparison of the balance-sheets of the various Central Banks presents. These difficulties, arising partly from difference in functions, but mainly from the different ways in which the balance-sheets are drawn up and from insufficient specification, still remain.

For the purpose of comparison, the original balance-sheets have been re-arranged as far as possible according to the standard form shown in the tables prefacing the various chapters in Volume II, covering not only the special banking tables but also Tables III, IV and V in the present volume. For such details regarding the operations and the accounts of the banks as are not explained in these notes, reference should be made to the more complete notes in the last *Memorandum on Central Banks*.

In the case of the Russian State Bank, the arrangement of the original balance-sheets has been maintained with slight modifications, direct comparison with the position of other banks being impossible owing to its peculiar character as State Bank in a communist country. In the tables in this introduction, however, figures for Russia have been included whenever comparison with other countries has been possible.

In addition to the countries included in last year's *Memorandum on Central Banks*, the present Memorandum contains special chapters on Colombia and Danzig, where new Central Banks of issue were set up at the end of 1923. The organisation of the new or transformed Central Banks in Germany, Hungary and Poland, which all started operations in 1924, as well as of those established in the immediately preceding years in certain other countries, and of the proposed new National Bank in Czechoslovakia, is dealt with at some length in the chapters on these countries.

(a) *Relative importance of Central Banks' Gold Reserves.*

The importance of the gold and of the foreign exchange reserves in relation to the note circulation and the sight liabilities of the issuing institutions is illustrated in Tables S and R above. Table W on the following page shows the percentage ratio of the "corrected" value of the gold reserves to the balance-sheet value [1] of their "earning assets". In order to achieve comparable results, the foreign assets, discounts, securities and investments, loans and advances shown in groups II-VI in the banking tables (Vol. II) have been considered in all cases as earning assets, regardless of the fact that in some countries the Governments do not pay interest on the whole of their debts to the Central Banks.

The percentage figures do not necessarily constitute an exact measure of the relative importance of the gold reserves, as the other assets may include a certain number of items the balance-sheet value of which has not been fully adjusted in proportion to the depreciation of the respective currencies. Moreover, when a rapid currency depreciation is taking place, the exchange value of the currency is, as a rule, below its purchasing power on the domestic market, or, in other words, domestic prices are below foreign. As the other assets, consisting mainly of discounts, loans and advances, are linked rather to internal than external prices, the ratio as calculated in the table tends to exaggerate the relative importance of the gold reserve. When the exchanges are stabilised and internal prices creep up to the level of external prices, the percentage which the paper value of the gold reserve constitutes of the other assets of the Central Bank is correspondingly reduced. The gold reserves could, of course, be sold at any moment, so that the figures given in the table are strictly correct. But since, in the great majority of cases, the Central

[1] In those exceptional cases where the foreign assets held by the Central Banks in countries with depreciated currencies are accounted at pre-war parities, a "correction" of their value has been made in conformity with that made for the gold.

Banks during the period under review have tended to cling to their gold, this fact is of minor importance and emphasis should rather be laid on the certainty that after a period of inflation the "other assets" side of the ratio will increase.

On the other hand, whenever the value of any currency improved, as, for instance, during the deflationary period from the autumn of 1920 to the end of 1922, since the contraction of the outstanding credits of the Central Banks was slower than the appreciation of the currencies, the percentages as calculated in the table are lower than they would have been had the elasticity of the credits been greater.

TABLE W.

PAPER VALUE OF CENTRAL BANKS' GOLD RESERVES (AT HOME AND ABROAD) AS PERCENTAGE OF "EARNING" ASSETS [1].

Central Banks in:	End of 1913	End of 1918	End of 1920	End of 1921	End of 1923	End of 1924
United States of America	—	91	64	189	245	235
Peru	—	—	—	—	263	196
Union of South Africa	—	—	—	—	179	162
Netherlands [2]	89	144	144	142	125	124
Dutch East Indies [2]	32	60	104	86	87	112
Switzerland	83	52	104	103	119	105
Japan	53	45	100	94	68	92
Spain	26	95	99	78	103	88
Denmark [3]	70	66	100	68	76	78
United Kingdom	42	45	84	109	95	69
Norway	37	22	45	51	60	69
Uruguay	35	79	101	94	80	61
France	129	22	47	40	56	52
Roumania [4]	38	26	27	29	48	46
Colombia	—	—	—	—	—	43
Sweden	32	39	52	39	40	34
Lithuania	—	—	—	—	26	32
Italy	90	16	39	31	31	31
Brazil	—	—	—	—	26	28
Australia	—	—	33	29	30	26
Germany	55	14	21	31	43	21
Poland	—	—	3	6	37	18
Finland	16	6	17	25	17	18
Latvia	—	—	—	—	17	16
Kingdom of the Serbs, Croats and Slovenes	69	?	11	18	18	15
Bulgaria	16	5	14	22	14	14
Belgium	26	9	11	10	15	13
Russia	—	—	—	11	14	13
Portugal	8	5	14	16	18	11
Hungary	—	—	—	6	11	8
Greece	4	2	4	6	8	8
Czechoslovakia	—	—	3	7	7	7
Egypt	19	5	8	8	6	4
Canada	3	4	4	4	3	3
Austria	—	—	—	—	1	1

[1] *i.e.*, al other assets shown in the individual tables (Vol. II) except silver, premises and sundry accounts
[2] Figures given refer to the end of March following the dates indicated.
[3] Figures given refer to the end of July 1914, 1919, 1921, 1922 and 1924 and to the end of March 1925.
[4] Excluding gold deposited in Russia (see Notes, Vol. II).

In the majority of the countries included in the table, however, currency conditions had, by the end of 1924, been stabilised for a sufficiently long time and to a sufficient degree to render the discrepancy between internal and external purchasing power of minor importance. The percentages in the last column of the table constitute therefore a rough measure of the actual relation between the gold holdings and the productive assets of the Central Banks in most countries.

It should perhaps be remarked that the percentages given for Australia and Canada are somewhat too small as, in the first case, the gold held in the General Bank Department of the Commonwealth Bank is not shown separately and therefore not taken into account, and, in the second case, the Chartered Banks keep, instead of gold, an important reserve of Dominion notes which are largely covered by gold. The percentages shown for Russia are calculated on the basis of the gold reserve of the State Bank's Issue Department only.

A comparison of the ratio of the gold reserves to the earnings assets of the Central Banks at the end of 1923 and 1924 shows that, as a result of the general increase in the gold reserves, mainly due in Europe to the withdrawal of gold from circulation, the actual value of these reserves represented in most cases a greater percentage of the other assets at the end than at the beginning of that period, in spite of the great inflation of the credit figures during and after the war. As a rule, the Central Banks, which show a comparatively low (not more than 40 per cent) ratio of gold to other assets, are using interest-bearing substitutes for gold to a greater extent than those showing a high or comparatively high ratio (*cf.* Table R above).

The relative importance of the foreign assets as compared with the other commercial "earning" assets of the Central Banks in the various countries is illustrated in Table Z below.

(b) Composition of Central Banks' Liabilities to the Public.

Although the notes, as a rule, constitute the principal liability of the issuing banks, the relative importance of the note circulation compared with the other liabilities to the public, shown in groups XIII - XV of the summary tables in Volume II, varies widely from bank to bank. The composition of all these liabilities to the public is shown in the following table, where the banks are arranged in the order of the percentage magnitude of the note circulation at the end of 1924.

TABLE X.

COMPOSITION OF CENTRAL BANKS' LIABILITIES TO THE PUBLIC.

Central Banks in:	End of	Notes in circulation	Cheques, payment orders, "bons de caisse", etc. in circulation	Current Accounts		Other Deposits		Total
				Government	Other	Government	Other	
		%	%	%	%	%	%	%
Roumania	1913	88	—	12		—	—	100
	1918	88	—	12				100
	1923	97	—	3		—	—	100
	1924	96	—	4		—	—	100
Belgium	1913	89	—	9		1	1	100
	1918	85	—	15		—	—	100
	1923	95	—	—	5	—	—	100
	1924	95	—	—	5	—	—	100
Netherlands . . March	1914	96	1	—	3	—	—	100
»	1919	92	—	—	8	—	—	100
»	1924	83	—	—	17	—	—	100
»	1925	95	—	—	5	—	—	100

Table X (*continued*).

COMPOSITION OF CENTRAL BANKS' LIABILITIES TO THE PUBLIC.

Central Banks in:	End of	Notes in circulation	Cheques, payment orders, "bons de caisse", etc. in circulation	Current Accounts		Other Deposits		Total
				Government	Other	Government	Other	
		%	%	%	%	%	%	%
Austria	1923	92	—	8		—	—	100
	1924	94	—	6		—	—	100
France	1913	85	—	6	9	—	—	100
	1918	91	—	—	7	2	—	100
	1923	91	—	—	6	2	—	100
	1924	92	—	—	5	3	—	100
Portugal	1913	92	—	—	—	3	5	100
	1918	89	—	—	—	5	6	100
	1923	90	—	—	4	3	3	100
	1924	92	—	—	2	2	4	100
Peru	1923	95	—	5		—	—	100
	1924	89	—	11		—	—	100
Switzerland	1913	84	—	8	8	—	—	100
	1918	84	—	2	14	—	—	100
	1923	91	—	1	8	—	—	100
	1924	88	—	1	11	—	—	100
Poland	1918	92	—	8		—	—	100
	1923	59	5	36		—	—	100
	1924	87	—	1	12	—	—	100
Kingd. of the Serbs, Croats and Slovenes June	1914	55	—	2		43	—	100
Dec.	1918	57	—	1		42	—	100
»	1923	87	—	3		7	3	100
»	1924	86	—	4		5	5	100
Finland	1913	74	—	14	5	—	7	100
	1918	86	—	4	10	—	—	100
	1923	76	—	17	7	—	—	100
	1924	84	1	11	4	—	—	100
Denmark . . . . . July	1914	85	—	—	13	2	—	100
»	1919	78	—	—	21	1	—	100
»	1924	82	—	—	17	1	—	100
March	1925	83	—	1	16	—	—	100
Italy	1913	83	8	6	3	—	—	100
	1918	84	8	2	6	—	—	100
	1923	78	6	10	6	—	—	100
	1924	81	8	4	7	—	—	100
Dutch East Indies March	1914	91	1	—	8	—	—	100
»	1919	63	1	—	36	—	—	100
»	1923	71	1	—	28	—	—	100
»	1924	77	1	—	22	—	—	100

Table X (*continued*).

COMPOSITION OF CENTRAL BANKS' LIABILITIES TO THE PUBLIC.

Central Banks in:	End of	Notes in circulation	Cheques, payment orders, "bons de caisse", etc. in circulation	Current Accounts		Other Deposits		Total
				Government	Other	Government	Other	
		%	%	%	%	%	%	%
Colombia	1923	62	—	30	8	—	—	100
	1924	76	—	11	13	—	—	100
Lithuania	1923	81	—	19				100
	1924	75	—	25				100
Norway	1913	89	—	3	8	1	—	100
	1918	77	—	—	23	—	—	100
	1923	73	—	—	21	5	1	100
	1924	75	—	2	19	4	—	100
Union of South Africa	1923	70	—	—	30	—	—	100
	1924	72	—	—	28	—	—	100
Danzig	1924	70	—	30		—	—	100
Hungary	1923	92	—	8		—	—	100
	1924	69	—	28	3	—	—	100
Bulgaria	1913	48	1	33	5	12	1	100
	1918	76	—	16	5	3	—	100
	1923	67	—	12	18	3	—	100
	1924	67	—	29		4	—	100
Spain	1913	68	—	3	24	3	2	100
	1918	67	—	—	31	1	1	100
	1923	66	—	5	27	1	1	100
	1924	65	—	5	27	2	1	100
Sweden	1913	67	1	28	4	—	—	100
	1918	85	1	10	4	—	—	100
	1923	66	—	33	1	—	—	100
	1924	64	—	35	1	—	—	100
Czechoslovakia	1923	68	—	7		25	—	100
	1924	63	—	8		29	—	100
Japan	1913	78	—	21	1	—	—	100
	1918	53	—	44	2	—	1	100
	1923	65	—	33	3	—	—	100
	1924	63	—	33	4	—	—	100
Germany	1913	76	—	24		—	—	100
	1918	61	—	37		1	1	100
	1923	47	—	29	23	1	—	100
	1924	60	—	25		—	15	100

TABLE X *(concluded).*

COMPOSITION OF CENTRAL BANK'S LIABILITIES TO THE PUBLIC.

Central Banks in:	End of	Notes in circulation	Cheques, payment orders, "bons de caisse", etc. in circulation	Current Accounts		Other Deposits		Total
				Government	Other	Government	Others	
		%	%	%	%	%	%	%
Greece	1913	45	1	—	14	1	39	100
	1918	60	1	8	13	2	15	100
	1923	63	1	18		2	16	100
	1924	58	1	20		6	15	100
Egypt	1913	24	1	36	39	—	—	100
	1918	61	—	17	22	—	—	100
	1923	56	—	22	22	—	—	100
	1924	53	1	26	20	—	—	100
Uruguay	1913	68	—	1	17	3	11	100
	1918	62	—	6	20	2	10	100
	1923	54	—	8	16	2	20	100
	1924	53	—	24		2	21	100
Russia	1923	46	2	52				100
	1924	51	2	47				100
United Kingdom	1913	22	—	11	67	—	—	100
	1918	29	—	10	61	—	—	100
	1923	49	—	6	45	—	—	100
	1924	42	—	3	55	—	—	100
Australia	1923	45	5	22		—	28	100
	1924	41	3	23		—	33	100
United States of America	1918	56	—	1	33	—	10	100
	1923	47	—	1	41	—	11	100
	1924	39	—	1	48	—	12	100
Esthonia	1923	32	—	50	15	—	3	100
	1924	31	1	46	20	—	2	100
Brazil	1923	17	—	38		18	27	100
	1924	30	1	33		2	34	100
Latvia	1923	20	—	18	40	20	2	100
	1924	16	—	12	28	39	5	100
Canada	1913	8	1	2	40	—	49	100
	1918	8	—	12	40	—	40	100
	1923	7	—	5	38	—	50	100
	1924	6	—	4	40	—	50	100
British India	1923	—	—	9	82	9	—	100
	1924	—	—	12	86	2	—	100

The various deposit liabilities have, where possible, been split up into Government accounts, including those of State institutions, and other accounts. The "current accounts" are more or less similar in the various countries and represent mainly — sometimes exclusively — bankers' accounts payable at sight, but the character of the "other deposits" varies widely from bank to bank.

Apart from the Imperial Bank of India, which is not a bank of issue, the note circulation of the Central Banks constituted less than 50 per cent of their liabilities to the public only in seven countries: Australia, Brazil, Canada, Esthonia, Latvia, the United Kingdom and the United States. In four others, namely, Egypt, Greece, Russia and Uruguay, the notes constituted less than 60 per cent. The banks of issue of Brazil, Canada, Esthonia and Latvia and of Australia, Egypt, Russia and Uruguay operate mainly as ordinary commercial banks. The same is true, though to a lesser extent, of the National Bank of Greece.

The relatively small percentage which the notes constitute of the total liabilities to the public of the Central Banks in the United Kingdom and the United States of America is due in part to the existence of appreciable quantities of other forms of currency, and in part to the development of the cheque system and the existence of bankers' clearing and other reserves with the central institutions. All commercial banks in the United States of America which have joined the Federal Reserve system are required by law to keep a minimum deposit with the reserve banks, which constitutes the only legal reserve of the member banks.

As shown in the table above, there has been no appreciable change from 1923 to 1924 in the relative importance of the Central Banks' note circulation compared with their other liabilities except in the case of Poland and Germany. The comparatively low percentage of the note circulation of the Polish Loan Bank at the end of 1923 was probably due largely to the general use during the last quarter of so-called "verified" cheques for payment of taxes and other dues to the State, the use of such cheques having been authorised by the Government on account of the relative currency stringency resulting from the reduction of the gold (and commodity) value of the total circulation. In the case of Germany, the explanation would appear to be that the note issue of the Reichsbank at that time represented only a fraction of that of the newly established Rentenbank, although the Reichsbank still remained the Central Bank in relation to the commercial banks. By the end of 1924, the Reichsbank had regained its position as the principal note-issuing institution in the country.

Only a few of the Central Banks under review distinguish in their balance-sheets bankers' accounts, whether deposits, discounts or loans and advances, from other private accounts. But the Central Banks in the United Kingdom, the United States and, with the exception of Bulgaria, the Kingdom of the Serbs, Croats and Slovenes, Lithuania and Portugal, in countries in which, at the end of 1924, notes constituted more than 60 per cent of their total liabilities to the public, act, apart from their functions as Government bankers, almost exclusively as bankers' banks.

It should be observed that the distribution of the current accounts in the above table into Government and other accounts does not indicate the extent to which the Central Banks are Government bankers, as this distribution is largely dependent upon temporary conditions, such as the dates for the payment of taxes, etc.

In the majority of the countries under review, the Central Banks' liabilities for cheques and bills, payment orders, *bons de caisse* etc., in circulation represent less than one per cent of their liabilities to the public.

(c) *The Central Banks and the Governments.*

It will be observed from an examination of the bank tables and the covering notes in Volume II that, in nearly all cases, the increase in the note circulation during the war and the post-war inflationary period was due, primarily, to an increase in the indebtedness of the Governments to the Central Banks. This is true not only of the ex-belligerent but

also of most of the ex-neutral countries, the Governments of which chose to meet their extraordinary expenditure arising from the war by means of advances from the banks of issue. As a result of the artificial interest policy generally pursued and of the Government interference in the money market, the primary pre-war function of the Central Banks — namely, that of acting as bankers' banks — became in most countries of secondary importance, as compared with their functions as Government bankers.

Financial assistance was generally given by the Central Banks directly to the Governments by discounting Treasury Bills, or by advances or loans secured by interest-bearing State bonds. But the Central Banks in many countries also supported the Governments indirectly by granting loans and advances at favourable rates to commercial banks, etc., on security of various forms of Government paper.

The ratio of the various claims on the State arising from direct loans and advances and from securities held by the Central Banks to the total of the "earning assets" constitutes a rough measure of the *de facto* interdependence of these banks and the Governments. Table Y on pages 93-96 gives the percentage ratios of:

(*a*) The total investments in Government securities (inclusive of uncovered State notes) and the various loans and advances to the Government;

(*b*) The advances (not directly to the State) on Government securities;

(*c*) All other "earning assets";

to total "earning assets" at the end of 1913, 1918, 1920, 1921, 1923 and 1924. "Earning assets" include all the assets of the banks except metallic reserves, premises and certain other accounts generally grouped under "Sundries" in the balance-sheets. The countries are arranged in the order of the magnitude of the percentage which the claims on the Government constituted of the total of the Central Banks' earning assets at the end of 1924. Danzig, Russia, Lithuania and Peru are not included in the following table.

The Bank of Danzig is prohibited by its statutes from buying for its own account, discounting or making advances against bills or securities of the Government, the municipalities or municipal associations of the Free City.

The position of the Russian State Bank in relation to the Soviet Government is, of course, not comparable with that of the Central Banks in other countries. This bank had not up to the end of 1924 granted any direct advances to the Treasury; on the contrary, during the first year of its existence it received considerable financial support from the Treasury. On the other hand, most of its outstanding credits are granted to State undertakings which have an independent legal status and independent book-keeping, and are expected to exist without direct monetary assistance from the Treasury. The Treasury, however, has itself issued unsecured notes to cover the budget deficits.

The Central Banks of Lithuania and Peru do not show any separate Government accounts in their reports, and the direct indebtedness at the end of 1924 of the respective Governments to these banks seems, if it existed at all, to have been insignificant. On its creation, the Bank of Peru took over from the "Junta de Vigilancia" a certain amount of Government securities representing old advances to the State. But these securities are not shown separately in the bank's balance-sheets.

There is reason to believe that the total indebtedness of the Governments of some of the countries included in Table Y to the Central Banks is not shown in the published reports. The Bank of Brazil discloses in its reports only a fraction of the Government indebtedness shown in other official documents. But it is not clear whether the percentage of the claims on the Government to total earning assets at the end of 1924 was not considerably greater than the 33 shown in the following table — possibly as high as 50 or even more.

The post-war percentage figures for the claims on the Roumanian Government do not include the claims arising from the non-

TABLE Y.

COMPOSITION OF CENTRAL BANKS' "EARNING" ASSETS.

Central Banks in	Earning assets	End of 1913	End of 1918	End of 1920	End of 1921	End of 1923	End of 1924
		%	%	%	%	%	%
Portugal . . .	Claims on the Government .	74	77	74	82	81	86
	Other earning assets	26	23	26	18	19	14
	Total . . .	100	100	100	100	100	100
France . . .	Claims on the Government .	16	82	80	83	78	73
	Advances on Govt. securities	27	4	6	7	7	8
	Other earning assets	57	14	14	10	15	19
	Total . . .	100	100	100	100	100	100
Belgium . . .	Claims on the Government .	6	86	85	89	77	72
	Advances on Govt. securities	6	2	2	3	4	7
	Other earning assets	88	12	13	8	19	21
	Total . . .	100	100	100	100	100	100
Bulgaria . . .	Claims on the Government .	43	83	80	89	76	72
	Advances on Govt. securities	4	1	1	1	24	28
	Other earning assets	53	16	19	10		
	Total . . .	100	100	100	100	100	100
Czechoslovakia [1]	Claims on the Government .	—	—	66	68	70	71
	Advances on Govt. securities	—	—	18	13	9	7
	Other earning assets	—	—	16	19	21	22
	Total . . .	—	—	100	100	100	100
Kingdom of the Serbs, Croats and Slovenes	Claims on the Government .	59	52	84	83	71	71
	Advances on Govt. securities	2	1	1	1	3	3
	Other earning assets	39	47	15	16	26	26
	Total . . .	100	100	100	100	100	100
Greece . . .	Claims on the Government .	31	17	75	82	74	65
	Other earning assets	69	83	25	18	26	35
	Total . . .	100	100	100	100	100	100
Roumania . .	Claims on the Government .	12	66	84	82	60	53
	Advances on Govt. securities	19	3	2	2	2	3
	Other earning assets	69	31	14	16	38	44
	Total . . .	100	100	100	100	100	100

1 Figures calculated from revised balance-sheets referring to the end of January of following year; see Notes, Vol. II.

Table Y (*continued*).

COMPOSITION OF CENTRAL BANKS' "EARNING" ASSETS.

Central Banks in	Earning assets	End of 1913	End of 1918	End of 1920	End of 1921	End of 1923	End of 1924
		%	%	%	%	%	%
Uruguay . . .	Claims on the Government .	2	8	7	7	11	11
	Advances on Govt. securities	1	1	2	2	2	89
	Other earning assets	97	91	91	91	87	
	Total . . .	100	100	100	100	100	100
Denmark [1] . .	Claims on the Government .	2	34	25	1	12	10
	Other earning assets	98	66	75	99	88	90
	Total . . .	100	100	100	100	100	100
Esthonia . . .	Claims on the Government .	—	—	—	—	11	6
	Other earning assets	—	—	—	—	89	94
	Total . . .	—	—	—	—	100	100
Germany. . .	Claims on the Government .	21	98	98	95	1	4
	Other earning assets	79	2	2	5	99	96
	Total . . .	100	100	100	100	100	100
Poland . . .	Claims on the Government .	—	26	88	79	52	4
	Advances on Govt. securities	—	1	4	4	7	96
	Other earning assets	—	72	8	17	41	
	Total . . .	—	100	100	100	100	100
Netherlands [2]	Claims on the Government .	6	23	14	14	18	4
	Other earning assets	94	77	86	86	82	96
	Total . . .	100	100	100	100	100	100
Latvia	Claims on the Government .	—	—	—	—	7	2
	Other earning assets	—	—	—	—	93	98
	Total . . .	—	—	—	—	100	100
Sweden . . .	Claims on the Government .	—	—	—	1	2	2
	Other earning assets	100	100	100	99	98	98
	Total . . .	100	100	100	100	100	100
Norway . . .	Claims on the Government .	—	1	—	1	1	1
	Other earning assets	100	99	100	99	99	99
	Total . . .	100	100	100	100	100	100

[1] Figures refer to the end of July 1914, 1919, 1921, 1922 and 1924 and end of March 1925.
[2] Figures refer to the end of March of following year.

Table Y (*continued*).

COMPOSITION OF CENTRAL BANKS' "EARNING" ASSETS.

Central Banks in	Earning assets	End of 1913	End of 1918	End of 1920	End of 1921	End of 1923	End of 1924
		%	%	%	%	%	%
Finland . . .	Claims on the Government .	1	53	54	41	29	26
	Advances on Govt. securities	—	2	7	7	—	—
	Other earning assets	99	45	39	52	71	74
	Total . . .	100	100	100	100	100	100
Austria . . .	Claims on the Government .	—	—	95	83	31	23
	Other earning assets	—	—	5	17	69	77
	Total . . .	—	—	100	100	100	100
British India.	Claims on the Government .	—	—	—	17	13	20
	Other earning assets	—	—	—	83	87	80
	Total . . .	—	—	—	100	100	100
Japan	Claims on the Government .	27	6	14	14	17	19
	Other earning assets	73	94	86	86	83	81
	Total . . .	100	100	100	100	100	100
Switzerland .	Claims on the Government .	—	44	51	58	35	17
	Other earning assets	100	56	49	42	65	83
	Total . . .	100	100	100	100	100	100
Spain	Claims on the Government .	34	31	27	14	17	15
	Advances on Govt. securities Other earning assets	66	69	73	86	83	85
	Total . . .	100	100	100	100	100	100
Canada . . .	Claims on the Government .	1	10	5	10	13	15
	Other earning assets	99	90	95	90	87	85
	Total . . .	100	100	100	100	100	100
Colombia . .	Claims on the Government .	—	—	—	—	44	12
	Other earning assets	—	—	—	—	56	88
	Total . . .	—	—	—	—	100	100
Dutch East Indies [1] . .	Claims on the Government .	13	41	24	9	9	12
	Advances on Govt. securities	87	59	22	16	12	12
	Other earning assets			54	75	79	76
	Total . . .	100	100	100	100	100	100

1 Figures refer to the end of March of following year.

Table Y (*concluded*).

COMPOSITION OF CENTRAL BANKS' "EARNING" ASSETS.

Central Banks in	Earning assets	End of 1913	End of 1918	End of 1920	End of 1921	End of 1923	End of 1924
		%	%	%	%	%	%
United Kingdom	Claims on the Government .	38	49	59	40	46	46
	Advances on Govt. securities Other earning assets	62	51	41	60	54	54
	Total . . .	100	100	100	100	100	100
United States	Claims on the Government .		10	9	15	11	43
	Advances on Govt. securities		63	36	32	29	15
	Other earning assets [1] . . .		27	55	53	60	42
	Total . . .		100	100	100	100	100
Italy	Claims on the Government .	23	69	59	49	44	41
	Advances on Govt. securities	11	8	13	21	14	13
	Other earning assets	66	23	28	30	42	46
	Total . . .	100	100	100	100	100	100
Australia . .	Claims on the Government .	—	—	36	38	38	40
	Other earning assets	—	—	64	62	62	60
	Total . . .	—	—	100	100	100	100
Brazil	Claims on the Government .	—	—	—	—	35	33
	Other earning assets	—	—	—	—	65	67
	Total . . .	—	—	—	—	100	100
Hungary . . .	Claims on the Government .	—	—	95	74	43	31
	Advances on Govt. securities	—	—	2	4	—	—
	Other earning assets	—	—	3	22	57	69
	Total . . .	—	—	100	100	100	100
Union of South Africa . .	Claims on the Government .	—	—	—	(79)	8	30
	Other earning assets	—	—	—	(21)	92	70
	Total . . .	—	—	—	100	100	100
Egypt	Claims on the Government .	24	21	23	14	23	28
	Advances on Govt. securities	14	1	3	5	4	3
	Other earning assets	62	78	74	81	73	69
	Total . . .	100	100	100	100	100	100

[1] Excluding reserve items and non-reserve cash; see Notes, Vol. II.

disposable allied credits granted to the Government through the intermediary of the National Bank. Moreover, the commercial discounts of that bank in recent years have largely represented indirect advances to the Treasury. If these advances be taken into account, there was probably no material reduction from the end of 1921 to the end of 1923 in the percentage which the claims on the Government constituted of the other earning assets of the bank. On the other hand, no such advances would appear to have been made in 1924.

The National Banks of Austria and Hungary are prohibited by law from granting any new advances directly or indirectly to their Governments. The present State debts to these banks have been taken over from their predecessors and are being paid off in conformity with the Bank Acts. Somewhat similar regulations exist in Czechoslovakia, although the law does not prohibit indirect credits in the form of advances on Government securities. The Bank of Latvia is likewise not allowed to make advances to the Government.

As in Russia, the Bank of Issue in Esthonia has not made any advances to the Government but on the contrary received considerable support from the State in the form of loans in gold and foreign exchange.

The new German Reichsbank and the Bank of Poland are allowed to grant certain temporary credits to the Governments for working capital, but only within very narrow limits fixed in the bank laws, and their power to hold Government securities for their own account is likewise strictly limited. The claims on the Governments of most of the above-mentioned countries arise, in point of fact, from their holdings of such securities. This is true also of certain other countries, as, for instance, Canada, Colombia (1924), Australia and British India. Sometimes the claims arise mainly from the banks' holdings of uncovered State notes.

The table offers a good illustration of the changes during and after the war in the financial interdependence of the Governments and the Central Banks. Before the war, the aggregate claims on the Governments constituted a preponderant part of the total earning assets of the banks only in Portugal and Serbia. They were of a certain importance (representing more than 25 per cent, but less than 50 per cent) in Bulgaria, the United Kingdom, and in Spain, Greece and Japan. By the end of 1918, the importance of the Governments' indebtedness had greatly increased in most belligerent countries, and also in certain neutral countries, such as Denmark, the Dutch East Indies, Finland, the Netherlands and Switzerland. In Sweden, the debt which the Government had incurred with the Central Bank during the war had been repaid before the Armistice by means of credits granted by a consortium of commercial banks. The reduction in the relative importance of the claims on the Government in Japan was due largely to the very considerable increase in the foreign assets of the Central Bank; in Greece, the Kingdom of the Serbs, Croats and Slovenes, and Egypt, it was due to the granting of important credits by the Allied Powers as counter-value for increased note issues. In the United States, the financial accommodation was granted by the Federal Reserve Banks, less in the form of direct discounts of Treasury bills than indirectly in the form of discounts at favourable rates on security of Victory Loan bonds, etc., which discounts are shown in the table under "advances on Government securities".

The indebtedness of the Governments to the Central Banks continued to increase in almost all ex-belligerent countries up to the end of 1920 and 1921. But Switzerland was the only ex-neutral country in which the claims of the Government rose relatively to the other earning assets of the Central Bank during the same period. By the end of 1923, as the table shows, there was an improvement in the situation in nearly all countries, which in almost every case was continued in 1924.

The table would seem to indicate that the various claims on the Government constituted at the end of 1923 a preponderant part of the earning assets of the Central Banks in all the Balkan States, in certain Western European States, more especially Belgium, France and Italy, and probably in Brazil. On the other hand, in the Scandinavian countries, the new Baltic States

and most extra-European countries, the direct connection between the loan operations of the Central Banks and the credit demands of the Governments was either negligible or of comparatively small importance.

In Poland and the Central European countries the Central Banks of which, with the exception of those in Switzerland and Czechoslovakia, still acted at the end of 1922 almost exclusively as instruments for inflationary Government note issues, there has been a radical change as a result of the recent currency reforms. The figures for Germany at the end of 1923 and 1924 give a too favourable picture of the situation, as they refer only to the Reichsbank, the Government having repaid its debt to that bank by means of advances in stable currency received from the Rentenbank. A combination of the balance-sheets of these two banks gives a percentage of the State debt compared with their total earning assets of 45 at the end of 1923 and 25 at the end of 1924 [1]. On the other hand, the State debt to the Rentenhank is being paid off in accordance with the Rentenmark Liquidation Law.

The claims of the Federal Reserve Banks and of the Bank of England on the Governments in their respective countries, arising from their holdings of Government securities, are not of the same significance as in most other countries. In recent years in the United States, as before the war in the United Kingdom, the movement in the Central Banks' holdings of such securities has in the main reflected an active policy of open-market operations. This policy requires comparatively big security holdings. By sales from these holdings in times of easy money the Central Bank is able to withdraw funds from the market, and, conversely, by purchasing securities in times of stringent money it places additional funds at the disposal of the market. In this way the Bank is able to act as regulator of credit and to secure its control of the money rates, or in other words to make its own rates effective in the market.

The table offers a good illustration of the general financial recovery in recent years and more especially in 1924, when there was a decrease in the State indebtedness to the note-issuing banks in the majority of the countries under review. Portugal was the only country in which there was an increase of real significance in the Government debt to the Central Bank. In the Kingdom of the Serbs, Croats and Slovenes the situation did not change from the end of 1923 to the end of 1924, and in all other countries showing a preponderant State indebtedness to the Central Banks the table indicates a more or less important reduction. On the other hand, although the Government debt to the Bank of France was reduced both absolutely and relatively in 1924, it has again increased very considerably in the first half-year of 1925, as explained in the notes in Volume II. This increase is mainly due to the fact that the Government has had to ask for new advances from the Bank in order to secure the redemption of such National Defence bills as are not renewed.

The most striking relative reduction in 1924 has occurred in Poland, Hungary and Switzerland. In the last-mentioned country the Government repaid the greater part of its debt to the National Bank from the proceeds of an American loan. The remaining State debt represents the advances granted by the Bank as cover for the loss arising from the demonetisation of Belgian, French and Italian silver 5-franc pieces, which loss has been temporarily assumed by the Government pending its repayment by the foreign Governments concerned.

The advances on Government securities have been of importance in Belgium, Czechoslovakia, the Dutch East Indies, France, Italy, Poland and the United States. Such advances, however, have played a more prominent role in Spain than in any other country, though their exact amounts are not stated clearly in the bank reports. At the end of 1921, 1923 and 1924, they probably represented at least one-half of the other earning assets of the Bank.

As pointed out in last year's *Memorandum on Central Banks*, the legal status of these Banks

[1] When making the above calculations the advances by the Reichsbank of such funds as it had received directly from the Rentenbank have been excluded in order to avoid double counting, as the Reichsbank only acted as intermediary in regard to these advances (discounts). See notes, Vol. II.

TABLE Z.

COMPOSITION OF CENTRAL BANKS' "EARNING" COMMERCIAL ASSETS.

Central Banks in	End of	Foreign Assets	Inland Bills discounted	Loans and Advances	Other	Total
		%	%	%	%	%
United States of America	1918	—	99 [1]	—	1	100
	1923	—	100 [1]	—	—	100
	1924	—	99 [1]	—	1	100
Roumania	1913	16	58	26	—	100
	1918	38	7	55	—	100
	1923	17	77	6	—	100
	1924	14	79	7	—	100
Italy	1913	17	57	20	6	100
	1918	23	37	38	2	100
	1923	2	64	33	1	100
	1924	1	69	29	1	100
Belgium	1913	18	69	7	6	100
	1918	22	60	17	1	100
	1923	4	75	20	1	100
	1924	5	68	26	1	100
Sweden	1913	40	49	7	4	100
	1918	25	42	27	6	100
	1923	22	64	9	5	100
	1924	20	67	7	6	100
Norway	1913	34	55	6	5	100
	1918	15	49	34	2	100
	1923	7	74	13	6	100
	1924	13	65	17	5	100
Portugal	1913	—	64	22	14	100
	1918	3	67	16	14	100
	1923	18	48	31	3	100
	1924	33	57	7	3	100
Denmark	July 1914	21	54	16	9	100
	» 1919	37	33	24	6	100
	» 1924	9	71	18	2	100
	March 1925	12	56	31	1	100

[1] Including bills bought in the open market.

Table Z (*continued*).
COMPOSITION OF CENTRAL BANKS' "EARNING" COMMERCIAL ASSETS.

Central Banks in	End of	Foreign Assets	Inland Bills discounted	Loans and Advances	Other	Total
		%	%	%	%	%
Germany	1913	12	81	6	1	100
	1924	37	53	1	9	100
Peru	1923	41	45	—	14	100
	1924	44	52	—	4	100
Kingdom of the Serbs, Croats and Slovenes	1913	10	21	64	5	100
	1923	35	56	8	1	100
	1924	40	51	8	1	100
Brazil	1923	15	60	19	6	100
	1924	21	51	22	6	100
France	1913	—	66	34	—	100
	1918	52	22	26	—	100
	1923	28	41	31	—	100
	1924	21	51	28	—	100
Poland	1923	56	19	25	—	100
	1924	48	46	6	—	100
Hungary	1920	—	58	42	—	100
	1923	—	100	—	—	100
	1924	56	44	—	—	100
Netherlands	March 1914	12	32	51	5	100
	» 1919	30	10	57	3	100
	» 1923	32	31	34	3	100
	» 1924	13	41	41	5	100
Czechoslovakia	1920	10	42	48	—	100
	1923	38	21	41	—	100
	1924	23	40	37	—	100
Finland	1913	49	36	14	1	100
	1918	53	8	10	29	100
	1923	38	52	1	9	100
	1924	59	39	1	1	100

Table Z (*continued*).
COMPOSITION OF CENTRAL BANKS' "EARNING" COMMERCIAL ASSETS.

Central Banks in	End of	Foreign Assets	Inland Bills discounted	Loans and Advances	Other	Total
		%	%	%	%	%
Danzig	1924	57	34	9	—	100
Russia	1923	20	22	51	7	100
	1924	18	34	43	5	100
Japan	1913	49	23	28	—	100
	1918	56	9	35	—	100
	1923	17	46	28	9	100
	1924	14	31	24	31	100
Greece	1913	52	7	37	4	100
	1918	83	2	14	1	100
	1923	41	17	39	3	100
	1924	26	30	42	2	100
Spain	1913	16	29	53	2	100
	1918	5	45	49	1	100
	1923	1	32	66	1	100
	1924	1	27	71	1	100
Latvia	1923	50	20	18	12	100
	1924	28	27	30	15	100
Esthonia	1923	14	30	56	—	100
	1924	13	26	61	—	100
Austria	1923	77	23	—	—	100
	1924	50	26	24	—	100
Dutch East Indies	March 1914	24	6	57	13	100
	» 1919	23	5	66	6	100
	» 1923	39	18	37	6	100
	» 1924	22	24	45	9	100
Switzerland	1913	18	53	24	5	100
	1918	17	63	17	3	100
	1923	29	33	36	2	100
	1924	49	22	28	1	100

Table Z (*concluded*).

COMPOSITION OF CENTRAL BANKS' "EARNING" COMMERCIAL ASSETS.

Central Banks in	End of	Foreign Assets	Inland Bills discounted	Loans and Advances	Other	Total
		%	%	%	%	%
Colombia	1923	51	40	9	—	100
	1924	76	19	5	—	100
British India	1923	1	16	81	2	100
	1924	1	17	80	2	100
Bulgaria	1913	7	20	71	2	100
	1923	60	9	29	2	100
	1924	40	15	44	1	100
Uruguay	1913	—	—	96	4	100
	1918	4	5	88	3	100
	1923	2	3	87	8	100
	1924	4	4	85	7	100
Egypt	1913	21	3	70	6	100
	1918	82	—	17	1	100
	1923	86	—	13	1	100
	1924	88	—	11	1	100
Australia	1920	52	33		15	100
	1923	66	29		5	100
	1924	76	18		6	100
Canada	1913	12	76		12	100
	1918	11	67		22	100
	1923	13	71		16	100
	1924	15	67		18	100
Lithuania	1923	74	26			100
	1924	65	35			100
United Kingdom	1913	—	—	100	—	100
	1918	—	—	100	—	100
	1923	—	—	100	—	100
	1924	—	—	100	—	100

as formally independent private banks under Government control or as pure State banks has had but little effect upon their actual credit relations with the Governments.

(*a*) *Composition of Central Banks' Commercial "Earning" Assets:*

The following table, showing the percentage composition of the commercial earning assets, gives an idea of the general character of the commercial operations of the Central Banks in the various countries. The banks are arranged in the order of the percentage magnitude of the domestic bill portfolio at the end of 1924.

The foreign assets include book balances and credits abroad, foreign bills, foreign banknotes and foreign Government securities when shown separately. The inland bills exclude Treasury bills discounted. The loans and advances include advances on Government securities, but exclude, of course, direct loans and advances to the Government as far as they are shown separately by the banks. The "other" assets include investments in non-Government securities and, in some cases, participations in private undertakings as well as certain other items of minor importance generally comprised in group II of the summary tables in Volume II.

The foreign assets have been dealt with in detail in a preceding section. Discounts are not shown separately in the returns of the Commonwealth Bank of Australia, the Chartered Banks of Canada, the Bank of Lithuania and the Bank of England. The re-discounts of the last-mentioned bank, however, appear to be insignificant, the practice being for the customers to pledge their bills as security for advances, instead of selling them to the bank. The bill portfolio of the Bank of Brazil includes a large portion of bills receivable.

The Federal Reserve Banks of the United States of America and the Reserve Bank of Peru grant credits only in the form of discounts. The Bank of the Republic in Colombia does not separate the advances from the discounts in its balance-sheets, and the advances of the South African Reserve Bank, other than those to the Government, only represented at the end of 1924 about one per cent of the commercial assets. The same is true of the Central Banks in Germany and Finland. After the liquidation of the advances taken over from the State Note Office, the National Bank of Hungary has granted no new credits in that form. Similarly in Austria, the ordinary advances of the National Bank are insignificant. The percentage shown at the end of 1924 in the table represents the special form of advances carried on under the name of *Kostgeschäft*, described in a preceding section.

Although the Central Banks' holdings of foreign assets have tended to increase both absolutely and in relation to their metallic reserves on the one hand, and in comparison with their note circulation and sight liabilities on the other, the above table shows that the commercial discounts, loans and advances have, in the majority of the countries under review, increased more than the exchange reserves.

The magnitude of the percentages in the column for the other commercial "earning" assets indicates in the main the importance of the Central Banks' investments in domestic securities other than Government paper.

Geneva, May 1925.

Tables I to X.

TABLEAU I — TABLE I

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix d'achat à New-York — *(a) New York buying rates*

Moyenne de Average of	ALLEMAGNE — GERMANY *[1]		AUTRICHE — AUSTRIA *		BELGIQUE — BELGIUM *		BULGARIE — BULGARIA *	
	23.821 Cts. = 1 mark	Prime (+) ou perte (—) Premium (+) or discount (—)	20.263 Cts. = 1 Krone [4]	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 franc	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 lev	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Cents	%	Cents	%	Cents	%	Cents	%
I	0.5224	— 97.81	0.03259	— 99.84	7.800	— 59.58	0.7120	— 96.31
II	0.4857	— 97.96	0.02900	— 99.86	8.268	— 57.15	0.6933	— 96.41
III	0.3627	— 98.48	0.01525	— 99.92	8.448	— 56.22	0.6882	— 96.43
IV	0.3465	— 98.55	0.01338	— 99.93	8.524	— 55.82	0.6897	— 96.43
V	0.3424	— 98.56	0.01129	— 99.94	8.351	— 56.72	0.6909	— 96.42
VI	0.3208	— 98.65	0.00696	— 99.97	8.235	— 57.32	0.7338	— 96.20
VII	0.2047	— 99.14	0.00380	— 99.98	7.798	— 59.59	0.7294	— 96.22
VIII	0.1065	— 99.55	0.00180	— 99.991	7.594	— 60.64	0.6570	— 96.59
IX	0.0683	— 99.71	0.00140	— 99.993	7.244	— 62.46	0.6384	— 96.69
X	0.0342	— 99.86	0.00140	— 99.993	6.896	— 64.26	0.6437	— 96.66
XI	0.0157	— 99.93	0.00138	— 99.993	6.353	— 67.07	0.6832	— 96.46
XII	0.0134	— 99.94	0.00140	— 99.993	6.619	— 65.70	0.6985	— 96.38
1923								
I	0.0073	—99.97	0.0014	— 99.993	6.077	— 68.50	0.6947	— 96.40
II	0.0038	—99.98	0.0014	— 99.993	5.400	— 72.01	0.6372	— 96.70
III	0.0047	—99.98	0.0014	— 99.993	5.480	— 71.60	0.6543	— 96.61
IV	0.0041	—99.98	0.0014	— 99.993	5.756	— 70.17	0.7738	— 95.99
V	0.0022	—99.991	0.0014	— 99.993	5.723	— 70.34	0.7982	— 95.86
VI	0.0010	—99.996	0.0014	— 99.993	5.399	— 72.02	1.1749	— 93.91
VII	0.00034	—99.999	0.0014	— 99.993	4.882	— 74.70	1.1853	— 93.86
VIII	0.000034	—99.999..	0.0014	— 99.993	4.549	— 76.42	0.9568	— 95.04
IX	0.19 [2]	—99.999...	0.0014	— 99.993	4.902	— 74.59	0.9590	— 95.03
X	0.007 [2]	—99.999....	0.0014	— 99.993	5.088	— 73.63	1.0150	— 94.74
XI	0.000004 [2]	—99.999...	0.0014	— 99.993	4.735	— 75.46	0.9221	— 95.22
XII	0.000002 [2]	—99.999....	0.0014	— 99.993	4.580	— 76.26	0.8162	— 95.77
1924								
I	0.000002 [2]	—99.999....	0.0014	— 99.993	4.182	— 78.33	0.7143	— 96.30
II	0.000002 [2]	—99.999....	0.0014	— 99.993	3.837	— 80.11	0.7315	— 96.21
III	0.000002 [2]	—99.999....	0.0014	— 99.993	3.865	— 79.97	0.7375	— 96.18
IV	0.000002 [2]	—99.999....	0.0014	— 99.993	5.232	— 72.88	0.7278	— 96.23
V	0.000002 [2]	—99.999....	0.0014	— 99.993	4.865	— 74.79	0.7231	— 96.25
VI	0.000002 [2]	—99.999....	0.0014	— 99.993	4.564	— 76.35	0.7173	— 96.28
VII	0.000002 [2]	—99.999....	0.0014	— 99.993	4.556	— 76.39	0.7238	— 96.25
VIII	0.000002 [2]	—99.999....	0.0014	— 99.993	5.022	— 73.97	0.7328	— 96.20
IX	0.000002 [2]	—99.999....	0.0014	— 99.993	4.938	— 74.41	0.7310	— 96.21
X	0.000002 [2]	—99.999....	0.0014	— 99.993	4.804	— 75.10	0.7320	— 96.21
XI	23.798 [3]	— 0.10	0.0014	— 99.993	4.833	— 74.95	0.7331	— 96.20
XII	23.803 [3]	— 0.08	0.0014	— 99.993	4.965	— 74.27	0.7339	— 96.20

* Câble.

[1] Les cours correspondants pour le milieu et la fin du mois pendant la seconde moitié de 1923 étaient:
15 VI: 0.001 — 15 VII: 0.0004 — 15 VIII: 0.00004 — 15 IX: 0.09[2] — 15 X: 0.0024[2] — 15 XI: 0.0000026[2] — 15 XII: 0.0000023[2]
30 VI: 0.0006 — 31 VII: 0.00009 — 31 VIII: 0.00001 — 30 IX: 0.05[2] — 31 X: 0.000075[2] — 30 XI: 0.0000014[2] — 31 XII: 0.0000023[2]

[2] Pour cent mille marks-papier. [3] Nombre de cents pour 1 Reichsmark.

[4] Le «shilling», introduit en décembre 1924, vaut 10.000 couronnes-papier.

[1] The corresponding quotations for the middle and end of month during the second half of 1923 are given in the French note [1] above.

[2] For hundred thousand paper marks. [3] Number of cents for 1 Reichsmark.

[4] The "shilling", introduced in December 1924, equals 10,000 paper crowns.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix d'achat à New-York — *(a) New York buying rates*

Moyenne de Average of	DANEMARK — DENMARK *		ESPAGNE — SPAIN*[1]		FINLANDE — FINLAND**[1]		FRANCE*	
	26.799 Cts. = 1 Krone	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 peseta	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 Markka	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 franc	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Cents	%	Cents	%	Cents	%	Cents	%
I	19.956	— 25.53	15.009	— 22.21	1.9044	— 90.13	8.146	— 57.78
II	20.577	— 23.22	15.745	— 18.40	2.0188	— 89.54	8.673	— 55.05
III	21.103	— 21.25	15.632	— 18.98	2.0533	— 89.36	9.015	— 53.28
IV	21.227	— 20.79	15.539	— 19.47	1.9400	— 89.95	9.237	— 52.13
V	21.356	— 20.31	15.692	— 18.67	2.0922	— 89.16	9.119	— 52.74
VI	21.671	— 19.14	15.682	— 18.73	2.1933	— 88.63	8.788	— 54.45
VII	21.547	— 19.60	15.588	— 19.21	2.1535	— 88.84	8.228	— 57.36
VIII	21.541	— 19.62	15.567	— 19.32	2.1311	— 88.96	8.011	— 58.48
IX	21.123	— 21.18	15.324	— 20.58	2.1822	— 88.69	7.665	— 60.27
X	20.195	— 24.64	15.252	— 20.95	2.3522	— 87.81	7.411	— 61.59
XI	20.180	— 24.70	15.298	— 20.72	2.5763	— 86.65	6.839	— 64.56
XII	20.630	— 23.02	15.638	— 18.95	2.5200	— 86.94	7.196	— 62.71
1923								
I	19.795	— 26.14	15.662	— 18.83	2.4877	— 87.11	6.677	— 65.40
II	19.090	— 28.77	15.666	— 18.81	2.6109	— 86.47	6.146	— 68.15
III	19.197	— 28.37	15.470	— 19.82	2.7605	— 85.69	6.324	— 67.22
IV	18.916	— 29.42	15.328	— 20.56	2.7564	— 85.71	6.667	— 65.45
V	18.648	— 30.42	15.236	— 21.04	2.7719	— 85.63	6.637	— 65.60
VI	17.957	— 32.99	14.923	— 22.66	2.7721	— 85.63	6.301	— 67.34
VII	17.542	— 34.54	14.308	— 25.85	2.7730	— 85.63	5.891	— 69.47
VIII	18.461	— 31.11	13.662	— 29.19	2.7756	— 85.61	5.650	— 70.72
IX	18.080	— 32.53	13.590	— 29.57	2.6965	— 86.02	5.855	— 69.66
X	17.526	— 34.60	13.478	— 30.15	2.6823	— 86.10	5.949	— 69.17
XI	17.199	— 35.82	13.091	— 32.15	2.6484	— 86.27	5.517	— 71.41
XII	17.821	— 33.50	13.038	— 32.43	2.4892	— 87.10	5.250	— 72.79
1924								
I	16.942	— 36.78	12.756	— 33.89	2.4989	— 87.05	4.665	— 75.82
II	15.998	— 40.30	12.741	— 33.97	2.5186	— 86.95	4.419	— 77.10
III	15.679	— 41.49	12.758	— 33.88	2.5263	— 86.91	4.681	— 75.74
IV	16.645	— 37.89	13.647	— 29.27	2.5194	— 86.94	6.157	— 68.09
V	16.924	— 36.85	13.804	— 28.46	2.5162	— 86.96	5.792	— 69.98
VI	16.778	— 37.39	13.473	— 30.17	2.5136	— 86.97	5.253	— 72.78
VII	16.047	— 40.12	13.290	— 31.12	2.5116	— 86.98	5.119	— 73.47
VIII	16.212	— 39.51	13.415	— 30.47	2.5192	— 86.94	5.464	— 71.68
IX	16.946	— 36.77	13.247	— 31.34	2.5179	— 86.95	5.302	— 72.52
X	17.333	— 35.32	13.409	— 30.51	2.5188	— 86.95	5.229	— 72.90
XI	17.548	— 34.52	13.604	— 29.49	2.5274	— 86.90	5.276	— 72.66
XII	17.636	— 34.19	13.963	— 27.63	2.5300	— 86.89	5.399	— 72.02

* Câble. — ** Chèques.

[1] Pour 1922, moyennes de deux cours par semaine.

[1] For 1922, averages of two quotations in each week.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix d'achat à New-York — *(a) New York buying rates*

Moyenne de Average of	GRÈCE — GREECE*		HONGRIE — HUNGARY*		ITALIE — ITALY*		NORVÉGE — NORWAY*[1]	
	19.295 Cts. = 1 drachma	Prime (+) ou perte (—) Premium (+) or discount (—)	20.263 Cts. = 1 Korona	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 lira	Prime (+) ou perte (—) Premium (+) or discount (—)	26.799 Cts. = 1 Krone	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Cents	%	Cents	%	Cents	%	Cents	%
I	4.3559	— 77.42	0.1531	— 99.24	4.355	— 77.43	15.717	— 41.35
II	4.4966	— 76.70	0.1503	— 99.26	4.853	— 74.85	16.759	— 37.46
III	4.4480	— 76.95	0.1266	— 99.38	5.126	— 73.43	17.618	— 34.26
IV	4.4708	— 76.83	0.1261	— 99.38	5.375	— 72.14	18.670	— 30.33
V	4.2775	— 77.83	0.1264	— 99.38	5.256	— 72.76	18.482	— 31.03
VI	3.8378	— 80.11	0.1090	— 99.46	4.981	— 74.19	17.067	— 36.31
VII	2.9447	— 84.74	0.0764	— 99.62	4.569	— 76.32	16.683	— 37.75
VIII	3.0867	— 84.00	0.0599	— 99.70	4.533	— 76.51	17.183	— 35.88
IX	2.5601	— 86.73	0.0444	— 99.78	4.283	— 77.80	16.819	— 37.24
X	2.4278	— 87.42	0.0402	— 99.80	4.187	— 78.30	17.877	— 33.29
XI	1.6458	— 91.47	0.0410	— 99.80	4.449	— 76.94	18.421	— 31.26
XII	1.2641	— 93.45	0.0429	— 99.79	5.002	— 74.08	18.937	— 29.34
1923								
I	1.2206	— 93.67	0.0391	— 99.81	4.881	— 74.70	18.697	— 30.23
II	1.1739	— 93.92	0.0381	— 99.81	4.818	— 75.03	18.568	— 30.71
III	1.0962	— 94.32	0.0289	— 99.86	4.855	— 74.84	18.171	— 32.20
IV	1.1694	— 93.94	0.0217	— 99.89	4.960	— 74.29	17.854	— 33.38
V	1.6883	— 91.25	0.0191	— 99.91	4.839	— 74.92	16.550	— 38.24
VI	3.0975	— 83.95	0.0140	— 99.93	4.575	— 76.29	16.649	— 37.87
VII	2.5464	— 86.80	0.0097	— 99.95	4.326	— 77.58	16.214	— 39.50
VIII	1.7462	— 90.95	0.0056	— 99.97	4.306	— 77.68	16.308	— 39.15
IX	1.7867	— 90.74	0.0055	— 99.97	4.438	— 77.00	16.090	— 39.96
X	1.5432	— 92.00	0.0054	— 99.97	4.515	— 76.60	15.517	— 42.10
XI	1.5578	— 91.93	0.0054	— 99.97	4.358	— 77.41	14.673	— 45.25
XII	1.8952	— 90.18	0.0052	— 99.97	4.337	— 77.52	14.927	— 44.30
1924								
I	1.9357	— 89.97	0.0039	— 99.97	4.340	— 77.51	14.092	— 47.42
II	1.6983	— 91.20	0.0033	— 99.98	4.345	— 77.48	13.339	— 50.23
III	1.6297	— 91.55	0.0015	— 99.99	4.277	— 77.83	13.572	— 49.36
IV	1.8413	— 90.46	0.0014	— 99.99	4.441	— 76.98	13.806	— 48.48
V	2.0091	— 89.59	0.0012	— 99.99	4.440	— 76.99	13.882	— 48.20
VI	1.7343	— 91.01	0.0011	— 99.99	4.333	— 77.54	13.524	— 49.54
VII	1.7140	— 91.12	0.0012	— 99.99	4.304	— 77.69	13.441	— 49.85
VIII	1.7947	— 90.70	0.0013	— 99.99	4.445	— 76.96	13.854	— 48.30
IX	1.7778	— 90.79	0.0013	— 99.99	4.382	— 77.29	13.847	— 48.33
X	1.7356	— 91.00	0.0013	— 99.99	4.350	— 77.46	14.258	— 46.80
XI	1.7808	— 90.77	0.0013	— 99.99	4.334	— 77.54	14.724	— 45.06
XII	1.8140	— 90.60	0.0013	— 99.99	4.302	— 77.70	15.074	— 43.75

* Câble.

[1] Pour 1922, moyennes de deux cours par semaine.

[1] For 1922, averages of two quotations in each week.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix d'achat à New-York — *(a) New York buying rates*

Moyenne de Average of	PAYS-BAS NETHERLANDS *		POLOGNE — POLAND *		PORTUGAL *[2]		ROUMANIE — ROUMANIA *	
	40.196 Cts. = 1 gulden	Prime (+) ou perte (−) Premium (+) or discount (−)	23.821 Cts. = 1 marka p. / 19.295 Cts. = 1 zloty	Prime (+) ou perte (−) Premium (+) or discount (−)	108.052 Cts. = 1 milreis	Prime (+) ou perte (−) Premium (+) or discount (−)	19.295 Cts. = 1 leu	Prime (+) ou perte (−) Premium (+) or discount (−)
1922	Cents	%	Cents	%	Cents	%	Cents	%
I	36.661	— 8.79	0.03296	— 99.86	7.921	— 92.67	0.7818	— 95.95
II	37.502	— 6.70	0.02894	— 99.88	7.748	— 92.83	0.7914	— 95.90
III	37.880	— 5.76	0.02372	— 99.90	8.783	— 91.87	0.7505	— 96.11
IV	37.940	— 5.61	0.02613	— 99.89	8.169	— 92.44	0.7339	— 96.20
V	38.625	— 3.91	0.02488	— 99.90	7.994	— 92.60	0.6975	— 96.39
VI	38.721	— 3.67	0.02376	— 99.90	7.714	— 92.86	0.6595	— 96.58
VII	38.783	— 3.52	0.01855	— 99.92	7.520	— 93.04	0.6016	— 96.88
VIII	38.827	— 3.41	0.01403	— 99.94	7.067	— 93.46	0.8145	— 95.78
IX	38.817	— 3.43	0.01252	— 99.95	5.003	— 95.37	0.6701	— 96.53
X	38.952	— 3.09	0.00968	— 99.96	5.283	— 95.11	0.6262	— 96.75
XI	39.214	— 2.44	0.00658	— 99.97	5.219	— 95.17	0.6406	— 96.68
XII	39.794	— 1.00	0.00574	— 99.98	4.521	— 95.82	0.6138	— 96.82
1923								
I	39.560	— 1.58	0.00428	— 99.982	4.604	— 95.74	0.5194	— 97.31
II	39.527	— 1.66	0.00250	— 99.990	4.367	— 95.96	0.4769	— 97.53
III	39.489	— 1.76	0.00235	— 99.990	4.343	— 95.98	0.4842	— 97.49
IV	39.179	— 2.53	0.00228	— 99.990	4.603	— 95.74	0.4789	— 97.52
V	39.130	— 2.65	0.00205	— 99.991	4.473	— 95.86	0.5097	— 97.36
VI	39.201	— 2.48	0.00128	— 99.995	4.660	— 95.69	0.5168	— 97.32
VII	39.230	— 2.40	0.00072	— 99.997	4.214	— 96.10	0.5177	— 97.32
VIII	39.341	— 2.13	0.00042	— 99.998	4.212	— 96.10	0.4677	— 97.58
IX	39.303	— 2.22	0.00035	— 99.999	4.166	— 96.14	0.4642	— 97.59
X	39.134	— 2.64	0.00011	— 99.9995	4.004	— 96.29	0.4688	— 97.57
XI	38.015	— 5.43	0.00005	— 99.9998	3.786	— 96.50	0.5029	— 97.39
XII	38.039	— 5.37	0.00002	— 99.9999	3.564	— 96.70	0.5153	— 97.33
1924								
I	37.350	— 7.08	0.000012	— 99.99995	3.183	— 97.05	0.4993	— 97.41
II	37.416	— 6.92	0.000011	— 99.99995	3.164	— 97.07	0.5182	— 97.31
III	37.057	— 7.81	0.000011	— 99.99995	3.126	— 97.11	0.5225	— 97.29
IV	37.193	— 7.47	0.000011	— 99.99995	3.135	— 97.10	0.5188	— 97.31
V	37.406	— 6.94	0.000011	— 99.99995	3.037	— 97.19	0.4902	— 97.46
VI	37.435	— 6.87	19.293 [1]	— 0.01	2.860	— 97.35	0.4311	— 97.77
VII	37.942	— 5.61	19.247 [1]	— 0.25	2.800	— 97.41	0.4322	— 97.76
VIII	38.804	— 3.46	19.225 [1]	— 0.36	2.970	— 97.25	0.4605	— 97.61
IX	38.451	— 4.34	19.218 [1]	— 0.40	3.181	— 97.06	0.5178	— 97.32
X	39.103	— 2.72	19.218 [1]	— 0.40	3.932	— 96.36	0.5459	— 97.17
XI	40.051	— 0.36	19.207 [1]	— 0.46	4.510	— 95.83	0.5393	— 97.20
XII	40.416	+ 0.55	19.204 [1]	— 0.47	4.798	— 95.56	0.5079	— 97.37

* Câble.
[1] Nombre de cents pour 1 zloty.
[2] Pour 1922, moyennes de deux cours par semaine.
[1] Number of cents for 1 zloty.
[2] For 1922, averages of two quotations in each week.

Tableau I *(suite).* — **Table I** *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix d'achat à New-York — *(a) New York buying rates*

Moyenne de Average of	ROYAUME-UNI UNITED KINGDOM *		RUSSIE — RUSSIA **		Royaume des Serbes, Croates et Slovènes Kingdom of the Serbs, Croats and Slovenes*		SUÈDE — SWEDEN *[1]	
	4.8665 $ = £ 1	Prime (+) ou perte (—) Premium (+) or discount (—)	5.14568 $ = 1 Tchervonetz	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 Cts. = 1 dinar	Prime (+) ou perte (—) Premium (+) or discount (—)	26.799 Cts. = 1 Krona	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	$	%	$	%	Cents	%	Cents	%
I	4.2199	— 13.29			1.3883	— 92.80	24.967	— 6.84
II	4.3504	— 10.61			1.3050	— 93.24	26.207	— 2.21
III	4.3793	— 10.01			1.2837	— 93.35	26.122	— 2.53
IV	4.4149	— 9.28			1.3346	— 93.08	26.068	— 2.73
V	4.4458	— 8.64			1.4511	— 92.48	25.776	— 3.82
VI	4.4512	— 8.53			1.3816	— 92.84	25.821	— 3.65
VII	4.4472	— 8.62			1.2187	— 93.68	25.977	— 3.07
VIII	4.4644	— 8.26			1.2015	— 93.77	26.336	— 1.73
IX	4.4358	— 8.85			1.2649	— 93.44	26.464	— 1.25
X	4.4366	— 8.83			1.6145	— 91.63	26.655	— 0.54
XI	4.4723	— 8.10			1.6077	— 91.67	26.886	+ 0.32
XII	4.5988	— 5.50			1.2361	— 93.59	26.955	+ 0.58
1923								
I	4.6546	— 4.36			0.9574	— 95.04	26.870	+ 0.26
II	4.6908	— 3.61			0.9681	— 94.98	26.611	— 0.70
III	4.6957	— 3.51			1.0417	— 94.60	26.612	— 0.70
IV	4.6555	— 4.34			1.0173	— 94.73	26.656	— 0.53
V	4.6257	— 4.95			1.0499	— 94.56	26.657	— 0.53
VI	4.6147	— 5.18			1.1484	— 94.05	26.565	— 0.87
VII	4.5834	— 5.82			1.0668	— 94.47	26.546	— 0.94
VIII	4.5603	— 6.29			1.0570	— 94.52	26.624	— 0.65
IX	4.5422	— 6.67			1.0940	— 94.33	26.563	— 0.88
X	4.5237	— 7.05	5.0000	— 2.83	1.1748	— 93.91	26.416	— 1.43
XI	4.3822	— 9.95	4.7600	— 7.50	1.1491	— 94.04	26.291	— 1.90
XII	4.3601	— 10.41	4.5750	— 11.09	1.1358	— 94.11	26.341	— 1.71
1924								
I	4.2591	— 12.48	4.5750	— 11.09	1.1335	— 94.13	26.193	— 2.26
II	4.3077	— 11.48	4.6300	— 10.02	1.2232	— 93.66	26.199	— 2.24
III	4.2906	— 11.83	5.0100	— 2.64	1.2372	— 93.59	26.304	— 1.85
IV	4.3513	— 10.59	5.2192	+ 1.43	1.2391	— 93.58	26.392	— 1.52
V	4.3608	— 10.39	5.1727	+ 0.53	1.2353	— 93.60	26.514	— 1.06
VI	4.3199	— 11.23	5.1616	+ 0.31	1.1850	— 93.86	26.554	— 0.91
VII	4.3704	— 10.19	5.1600	+ 0.28	1.1825	— 93.87	26.607	— 0.72
VIII	4.4995	— 7.54	5.1600	+ 0.28	1.2363	— 93.59	26.625	— 0.65
IX	4.4605	— 8.34	5.1600	+ 0.28	1.3515	— 93.00	26.612	— 0.70
X	4.4870	— 7.80	5.1600	+ 0.28	1.4245	— 92.62	26.620	— 0.67
XI	4.6097	— 5.28	5.1600	+ 0.28	1.4490	— 92.49	26.824	+ 0.09
XII	4.6958	— 3.51	5.1600	+ 0.28	1.4962	— 92.25	26.964	+ 0.62

* Câble. — ** Chèque.

[1] Pour 1922, moyennes de deux cours par semaine.

[1] For 1922, averages of two quotations in each week.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix d'achat à New-York — *(a) New York buying rates*

Moyenne de Average of	SUISSE SWITZERLAND *		TCHÉCOSLOVAQUIE CZECHOSLOVAKIA *		INDES ANGLAISES (Bombay) BRITISH INDIA **[2]		INDES NÉERLANDAISES DUTCH EAST INDIES **	
	19.295 Cts. = 1 franc	Prime (+) ou perte (—) Premium (+) or discount (—)	20.263 Cts. = 1 Koruna [1]	Prime (+) ou perte (—) Premium (+) or discount (—)	48.665 Cts. = 1 rupee [3]	Prime (+) ou perte (—) Premium (+) discount (—)	40.196 Cts. = 1 Gulden	Prime (+) ou perte (—) Premium (+) discount (—)
1922	Cents	%	Cents	%	Cents	%	Cents	%
I	19.405	+ 0.57	1.7091	— 91.56	28.764	— 40.89	36.508	— 9.18
II	19.516	+ 1.15	1.8665	— 90.79	29.156	— 40.09	37.455	— 6.82
III	19.461	+ 0.86	1.7419	— 91.40	28.625	— 41.18	37.639	— 6.36
IV	19.449	+ 0.80	1.9628	— 90.31	28.656	— 41.12	37.558	— 6.56
V	19.213	— 0.42	1.9204	— 90.52	29.653	— 39.07	38.106	— 5.20
VI	19.045	— 1.30	1.9235	— 90.51	29.545	— 39.29	38.308	— 4.70
VII	19.103	— 1.00	2.1805	— 89.24	29.468	— 39.45	38.145	— 5.10
VIII	19.041	— 1.32	2.7939	— 86.21	29.333	— 39.72	38.486	— 4.25
IX	18.829	— 2.42	3.2639	— 83.89	29.194	— 40.01	38.565	— 4.06
X	18.462	— 4.32	3.3017	— 83.70	29.299	— 39.79	38.275	— 4.78
XI	18.375	— 4.77	3.1774	— 84.32	30.094	— 38.16	38.458	— 4.32
XII	18.872	— 2.19	3.1061	— 84.67	30.986	— 36.33	38.355	— 4.58
1923								
I	18.783	— 2.65	2.8570	— 85.90	32.038	— 34.17	39.317	— 2.19
II	18.798	— 2.58	2.9580	— 85.40	32.278	— 33.67	38.977	— 3.03
III	18.590	— 3.65	2.9693	— 85.35	32.079	— 34.08	39.097	— 2.73
IV	18.242	— 5.46	2.9781	— 85.30	31.755	— 34.75	38.738	— 3.63
V	18.028	— 6.57	2.9791	— 85.30	31.498	— 35.28	38.457	— 4.33
VI	17.940	— 7.02	2.9934	— 85.23	31.428	— 35.42	38.293	— 4.73
VII	17.554	— 9.02	2.9971	— 85.21	31.223	— 35.84	38.308	— 4.70
VIII	18.054	— 6.43	2.9340	— 85.52	30.938	— 36.43	38.298	— 4.72
IX	17.862	— 7.43	2.9946	— 85.22	30.964	— 36.37	38.120	— 5.16
X	17.874	— 7.36	2.9705	— 85.34	31.236	— 35.82	38.084	— 5.25
XI	17.546	— 9.06	2.9057	— 85.66	31.378	— 35.52	37.630	— 6.38
XII	17.452	— 9.55	2.9248	— 85.57	31.410	— 35.46	37.355	— 7.07
1924								
I	17.321	— 10.23	2.8981	— 85.70	30.904	— 36.50	36.279	— 9.74
II	17.368	— 9.99	2.9015	— 85.68	30.827	— 36.65	36.114	— 10.16
III	17.290	— 10.39	2.9015	— 85.68	30.192	— 37.96	36.082	— 10.23
IV	17.600	— 8.78	2.9567	— 85.41	30.750	— 36.81	36.274	— 9.76
V	17.725	— 8.14	2.9392	— 85.49	31.154	— 35.98	36.305	— 9.68
VI	17.660	— 8.47	2.9364	— 85.51	31.030	— 36.24	36.230	— 9.87
VII	18.195	— 5.70	2.9526	— 85.43	31.457	— 35.36	36.716	— 8.66
VIII	18.822	— 2.45	2.9789	— 85.30	32.817	— 32.57	37.962	— 5.56
IX	18.882	— 2.14	2.9932	— 85.23	32.958	— 32.28	37.920	— 5.66
X	19.183	— 0.58	2.9814	— 85.29	34.575	— 28.95	38.236	— 4.88
XI	19.277	— 0.09	2.9890	— 85.25	34.794	— 28.50	39.141	— 2.62
XII	19.378	+ 0.43	3.0204	— 85.09	35.514	— 27.02	40.019	— 0.44

* Câble. — ** Chèques.
[1] Parité conventionnelle.
[2] Pour 1922, moyennes de deux cours par semaine.
[3] Parité d'avant-guerre.
[1] Conventional par.
[2] For 1922, averages of two quotations in each week.
[3] Pre-war parity.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix à New-York — *(a) New York rates*

Moyenne de Average of	JAPON — JAPAN *1		CANADA **1		ARGENTINE *1		BOLIVIE — BOLIVIA **1	
	49.846 Cts. = 1 yen	Prime (+) ou perte (—) Premium (+) or discount (—)	100 U. S. $ = 100 Canad. $	Prime (+) ou perte (—) Premium (+) or discount (—)	42.452 Cts. = 1 peso papel	Prime (+) ou perte (—) Premium (+) or discount (—)	38.933 cts = 1 Boliviano	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Cents	%	U. S. $	%	Cents	%	Cents	%
I	48.174	— 3.35	94.937	— 5.06	34.153	— 19.55	23.000	— 40.92
II	47.711	— 4.28	96.858	— 3.14	36.688	— 13.58	21.875	— 43.81
III	47.597	— 4.51	96.990	— 3.01	36.778	— 13.37	22.917	— 41.14
IV	47.563	— 4.58	97.894	— 2.11	35.891	— 15.46	25.000	— 35.79
V	47.542	— 4.62	98.837	— 1.16	36.530	— 13.95	25.000	— 35.79
VI	48.069	— 3.56	98.879	— 1.12	36.347	— 14.38	25.000	— 35.79
VII	48.250	— 3.20	99.027	— 0.97	36.253	— 14.60	26.750	— 31.29
VIII	48.125	— 3.45	99.802	— 0.20	36.396	— 14.27	29.278	— 24.80
IX	48.410	— 2.88	99.951	— 0.05	35.922	— 15.38	29.617	— 23.93
X	48.389	— 2.92	100.104	+ 0.10	36.089	— 14.99	29.481	— 24.28
XI	48.338	— 3.03	100.055	+ 0.06	36.436	— 14.17	27.458	— 29.47
XII	48.806	— 2.09	99.476	— 0.52	37.939	— 10.63	25.625	— 34.17
1923								
I	48.745	— 2.21	99.175	— 0.82	37.559	— 11.53	28.721	— 26.23
II	48.436	— 2.83	98.906	— 1.09	37.229	— 12.30	31.375	— 19.41
III	48.456	— 2.79	98.027	— 1.97	37.208	— 12.35	31.375	— 19.41
IV	48.694	— 2.31	98.060	— 1.94	36.759	— 13.41	31.750	— 18.45
V	49.079	— 1.54	98.020	— 1.98	36.127	— 14.90	31.952	— 17.93
VI	49.045	— 1.61	97.674	— 2.33	35.666	— 15.99	33.500	— 13.95
VII	48.789	— 2.12	97.464	— 2.54	34.367	— 19.05	33.500	— 13.95
VIII	48.877	— 1.94	97.563	— 2.44	32.965	— 22.35	32.981	— 15.29
IX	48.620	— 2.46	97.711	— 2.29	33.190	— 21.82	32.000	— 17.81
X	48.809	— 2.08	98.165	— 1.83	32.747	— 22.86	31.615	— 18.79
XI	48.374	— 2.95	98.155	— 1.84	31.594	— 25.58	31.500	— 19.09
XII	47.010	— 5.69	97.614	— 2.39	32.070	— 24.46	31.500	— 19.09
1924								
I	44.897	— 9.93	97.356	— 2.64	32.596	— 23.22	30.448	— 21.79
II	45.427	— 8.87	96.971	— 3.03	33.811	— 20.35	29.000	— 25.51
III	42.902	— 13.93	97.061	— 2.94	33.880	— 20.19	29.365	— 24.58
IV	40.930	— 17.89	98.085	— 1.91	33.101	— 22.03	29.500	— 24.23
V	40.187	— 19.38	98.333	— 1.67	33.005	— 22.25	30.731	— 21.07
VI	41.083	— 17.58	98.491	— 1.51	32.562	— 23.30	31.500	— 19.09
VII	41.349	— 17.05	99.192	— 0.81	32.703	— 22.96	30.521	— 21.61
VIII	41.261	— 17.22	99.865	— 0.13	33.776	— 20.44	29.000	— 25.51
IX	40.597	— 18.56	99.941	— 0.06	35.281	— 16.89	29.000	— 25.51
X	38.794	— 22.17	99.990	— 0.01	36.850	— 13.20	29.000	— 25.51
XI	38.518	— 22.73	99.984	— 0.02	37.703	— 11.19	29.000	— 25.51
XII	38.440	— 22.88	99.689	— 0.31	38.948	— 8.25	29.000	— 25.51

* Câble. — ** Chèques.

[1] Pour 1922, moyennes de deux cours par semaine.

[1] For 1922, averages of two quotations in each week.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix à New-York — *(a) New York rates*

Moyenne de / Average of	BRÉSIL — BRAZIL * [1]		CHILI — CHILE ** [1]		COLOMBIE / COLOMBIA ** [1]		EQUATEUR / ECUADOR ** [1]	
	32.44 Cts. = 1 milreis papel [2]	Prime (+) ou perte (—) Premium (+) or discount (—)	20.61 Cts. = 1 peso papel [3]	Prime (+) ou perte (—) Premium (+) or discount (—)	97.331 cts = 1 Peso	Prime (+) ou perte (—) Premium (+) or discount (—)	48.665 cts = 1 Sucre	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Cents	%	Cents	%	Cents	%	Cents [4]	%
I	12.931	— 60.14	10.042	— 51.28	92.416	— 5.05	24.100	— 50.48
II	13.531	— 58.29	10.359	— 49.74	89.250	— 8.30	24.100	— 50.48
III	13.958	— 56.97	11.458	— 44.41	91.512	— 5.98	24.100	— 50.48
IV	13.813	— 57.42	11.172	— 45.79	91.560	— 5.93	24.100	— 50.48
V	14.014	— 56.80	11.847	— 42.52	91.000	— 6.50	24.100	— 50.48
VI	13.972	— 56.93	12.472	— 39.49	91.582	— 5.91	24.800	— 49.04
VII	13.747	— 57.62	12.925	— 37.29	92.016	— 5.46	24.763	— 49.12
VIII	13.550	— 58.23	13.742	— 33.32	91.805	— 5.68	22.556	— 53.65
IX	12.839	— 60.42	14.017	— 31.99	90.541	— 6.98	22.000	— 54.79
X	11.591	— 64.27	13.667	— 33.69	92.318	— 5.15	22.030	— 54.73
XI	12.218	— 62.34	12.688	— 38.44	97.125	— 0.21	22.056	— 54.68
XII	12.228	— 62.31	12.680	— 38.48	97.500	+ 0.17	22.000	— 54.79
1923								
I	11.569	— 64.34	13.186	— 36.02	96.692	— 0.66	24.692	— 49.26
II	11.570	— 64.33	12.274	— 40.45	96.000	— 1.37	27.000	— 44.52
III	11.252	— 65.31	12.899	— 37.41	96.000	— 1.37	27.000	— 44.52
IV	10.846	— 66.57	12.604	— 38.85	96.000	— 1.37	27.000	— 44.52
V	10.515	— 67.59	13.044	— 36.71	95.769	— 1.60	27.000	— 44.52
VI	10.579	— 67.39	13.607	— 33.98	94.000	— 3.42	27.000	— 44.52
VII	10.492	— 67.66	12.935	— 37.24	94.000	— 3.42	27.000	— 44.52
VIII	9.916	— 69.43	12.395	— 39.86	94.850	— 2.55	27.000	— 44.52
IX	9.858	— 69.61	12.570	— 39.01	95.667	— 1.71	27.000	— 44.52
X	9.702	— 70.09	12.145	— 41.07	95.846	— 1.53	26.692	— 45.15
XI	8.850	— 72.72	11.350	— 44.93	95.000	— 2.39	25.000	— 48.63
XII	9.466	— 70.82	10.891	— 47.16	95.000	— 2.39	25.000	— 48.63
1924								
I	10.908	— 66.37	10.643	— 48.36	98.500	+ 1.20	24.039	— 50.60
II	12.093	— 62.72	10.386	— 49.61	96.000	— 1.37	20.000	— 58.90
III	11.605	— 64.23	10.124	— 50.88	96.000	— 1.37	20.423	— 58.03
IV	11.308	— 65.14	10.758	— 47.80	96.000	— 1.37	21.000	— 56.85
V	11.175	— 65.55	11.166	— 45.82	98.462	+ 1.16	21.000	— 56.85
VI	10.860	— 66.52	10.589	— 48.62	100.000	+ 2.74	21.000	— 56.85
VII	10.006	— 69.16	10.181	— 50.60	100.000	+ 2.74	19.573	— 59.78
VIII	10.033	— 69.07	10.038	— 51.30	100.000	+ 2.74	19.750	— 59.42
IX	10.268	— 68.35	10.542	— 48.85	100.000	+ 2.74	19.290	— 60.36
X	11.410	— 64.83	11.110	— 46.09	100.577	+ 3.34	19.250	— 60.44
XI	11.626	— 64.16	11.339	— 44.98	99.826	+ 2.56	18.696	— 61.58
XII	11.646	— 64.10	11.381	— 44.78	99.500	+ 2.23	18.500	— 61.98

* Câble. — ** Chèques.

[1] Pour 1922, moyennes de deux cours par semaine. [2] Parité d'avant-guerre.

[3] Taux d'avant-guerre employé conventionnellement comme taux au pair. Pour la première moitié de 1914, le change a été de 19,53 cents pour 1 peso.

[4] Les cours de 1923 ne se rapportent pas au marché libre.

[1] For 1922, averages of two quotations in each week. [2] Pre-war parity.

[3] Pre-war rate usually quoted as conventional par. The exchange rate for the first half of 1914 was 19.53 cents for 1 peso.

[4] The quotations for 1923 do not refer to the free market.

Tableau I *(suite)* — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(a) Prix à New-York — *(a) New York rates*

Moyenne de Average of	PÉROU — PERU ** 1		URUGUAY ** 1		VENEZUELA ** 1	
	4.8665 $ = 1 libra	Prime (+) ou perte (—) Premium (+) or discount (—)	103.425 cts = 1 Peso	Prime (+) ou perte (—) Premium (+) or discount (—)	19.295 cts = 1 Bolivar	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	$	%	Cents	%	Cents	%
I	3.550	— 27.05	73.028	— 29.39	17.750	— 8.01
II	3.588	— 26.27	80.313	— 22.34	18.214	— 5.60
III	3.456	— 28.98	80.876	— 21.81	18.472	— 4.27
IV	3.508	— 27.92	78.454	— 24.14	18.500	— 4.12
V	3.734	— 23.27	79.813	— 22.83	18.500	— 4.12
VI	3.996	— 17.89	81.528	— 21.17	18.500	— 4.12
VII	4.071	— 16.35	81.609	— 21.10	18.500	— 4.12
VIII	4.058	— 16.61	81.333	— 21.36	18.794	— 2.60
IX	4.038	— 17.02	78.514	— 24.09	18.625	— 3.47
X	3.933	— 19.18	77.709	— 24.87	18.467	— 4.29
XI	4.034	— 17.11	80.781	— 21.89	18.319	— 5.06
XII	4.184	— 14.02	85.089	— 17.73	18.278	— 5.27
1923						
I	4.173	— 14.25	85.048	— 17.77	18.788	— 2.63
II	4.073	— 16.31	83.591	— 19.18	19.250	— 0.23
III	4.124	— 15.26	84.856	— 17.95	19.250	— 0.23
IV	4.290	— 11.85	84.255	— 18.53	19.250	— 0.23
V	4.290	— 11.85	81.154	— 21.53	19.250	— 0.23
VI	4.292	— 11.81	81.313	— 21.38	19.250	— 0.23
VII	4.256	— 12.54	80.585	— 22.08	19.250	— 0.23
VIII	4.111	— 15.52	74.822	— 27.66	18.918	— 1.95
IX	4.126	— 15.22	75.021	— 27.46	19.359	+ 0.33
X	4.078	— 16.20	74.356	— 28.11	19.250	— 0.23
XI	4.080	— 16.16	72.875	— 29.54	19.250	— 0.23
XII	4.030	— 17.19	77.660	— 24.91	19.250	— 0.23
1924						
I	3.989	— 18.03	80.303	— 22.36	19.164	— 0.68
II	3.978	— 18.26	78.826	— 23.78	19.000	— 1.53
III	4.004	— 17.72	77.236	— 25.32	19.269	— 0.13
IV	4.000	— 17.81	77.716	— 24.86	19.250	— 0.23
V	4.116	— 15.42	78.574	— 24.03	19.250	— 0.23
VI	4.136	— 15.01	77.973	— 24.61	19.250	— 0.23
VII	4.127	— 15.20	77.003	— 25.55	19.243	— 0.27
VIII	4.159	— 14.54	78.864	— 23.75	19.250	— 0.23
IX	4.124	— 15.26	83.757	— 19.02	19.250	— 0.23
X	4.137	— 14.99	89.055	— 13.89	19.250	— 0.23
XI	4.178	— 14.15	96.022	— 7.16	19.250	— 0.23
XII	4.197	— 13.76	98.095	— 5.15	19.250	— 0.23

** Chèques.

1 Pour 1922, moyennes de deux cours par semaine.

1 For 1922, monthly averages of two quotations in each week.

Tableau I *(suite)*. — Table I *(continued)*

COURS DU CHANGE — RATES OF EXCHANGE

(b) Prix sur New-York — *(b) Rates on New York*

Moyenne de / Average of	DANTZIG — DANZIG *		ESTHONIE — ESTHONIA (Reval) [1]		LETTONIE — LATVIA (Riga) [2]		LITHUANIE LITHUANIA **	
	5.13725 Gulden = 1 $	Prime (+) ou perte (—) Premium (+) or discount (—)	4.198 Eest.Mk = 1 $	Prime (+) ou perte (—) Premium (+) or discount (—)	5.1826 lats = 1 $	Prime (+) ou perte (—) Premium (+) or discount (—)	10 Litas = 1 $	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Gulden	%	Eest. mk.	%	Lats (latv rb.)	%	Litas	%
I			362	— 98.84	241.79	— 99.20		
II			342	— 98.77	234.42	— 99.17		
III			341	— 98.77	258.14	— 99.25		
IV			336	— 98.75	258.76	— 99.25		
V			329	— 98.72	258.55	— 99.25		
VI			329	— 98.72	258.25	— 99.25		
VII			338	— 98.76	260.00	— 99.25		
VIII			338	— 98.76	259.75	— 99.25		
IX			341	— 98.77	244.75	— 99.21		
X			342	— 98.77	260.00	— 99.25		
XI			343	— 98.78	5.18 [2]	+ 0.05 [2]		
XII			341	— 98.77	5.16	+ 0.44		
1923								
I			341	— 98.77	5.11	+ 1.42		
II			338	— 98.76	5.14	+ 0.83		
III			338	— 98.76	5.13	+ 1.03		
IV			338	— 98.76	5.14	+ 0.83		
V			339	— 98.76	5.15	+ 0.63		
VI			343	— 98.78	5.15	+ 0.63		
VII			345	— 98.78	5.15	+ 0.63		
VIII			346	— 98.79	5.15	+ 0.63		
IX			346	— 98.79	5.15	+ 0.63		
X			347	— 98.79	5.14	+ 0.83		
XI			349	— 98.80	5.16	+ 0.44	10.05	— 0.50
XII	5.73	— 10.34	370	— 98.87	5.17	+ 0.24	10.04	— 0.40
1924								
I	5.87	— 12.48	387	— 98.92	5.17	+ 0.24	10.05	— 0.50
II	5.80	— 11.43	380	— 98.90	5.21	— 0.53	10.06	— 0.60
III	5.81	— 11.58	379	— 98.89	5.21	— 0.53	10.04	— 0.40
IV	5.74	— 10.50	379	— 98.89	5.21	— 0.53	10.03	— 0.30
V	5.73	— 10.34	381	— 98.90	5.21	— 0.53	10.05	— 0.50
VI	5.78	— 11.12	384	— 98.91	5.21	— 0.53	10.10	— 0.99
VII	5.73	— 10.34	412	— 98.98	5.21	— 0.53	10.12	— 1.19
VIII	5.57	— 7.77	429	— 99.02	5.21	— 0.53	10.11	— 1.09
IX	5.59	— 8.10	413	— 98.98	5.21	— 0.53	10.10	— 0.99
X	5.57	— 7.77	384	— 98.91	5.21	— 0.53	10.09	— 0.89
XI	5.46	— 5.91	373	— 98.87	5.20	— 0.33	10.07	— 0.69
XII	5.35	— 3.98	372	— 98.87	5.20	— 0.33	10.12	— 1.19

* Câble. — ** Chèques.

[1] Cours d'achat.

[2] Cours de vente. Depuis novembre 1922, nombre de lats pour 1 $. Avant cette date, nombre de roubles lettons pour 1 $ (parité = 1,94338 rouble = 1 $.).

[1] Buying rates.

[2] Selling rates. Since November 1922, number of lats for 1 dollar. Before this date, number of Latvian roubles for 1 dollar (parity = 1.94338 Rb = 1 $).

Tableau I *(fin)* — Table I *(concluded)*

COURS DU CHANGE — RATES OF EXCHANGE

(b) Prix sur New-York. *(b) Rates on New York.*

Moyenne de Average of	COSTA-RICA *		GUATEMALA *		NICARAGUA *		SALVADOR *	
	2.15 colones = 1 $ [1]	Prime (+) ou perte (—) Premium (+) or discount (—)	18.47 pesos pap. = 1 $ [2]	Prime (+) ou perte (—) Premium (+) or discount (—)	1 cordoba = 1 $	Prime (+) ou perte (—) Premium (+) or discount (—)	2 colones = 1 $	Prime (+) ou perte (—) Premium (+) or discount (—)
1922	Colones	%	Pesos	%	Cordobas	%	Colones	%
I	4.24	— 49.3	55.40	— 66.7	1.02	— 2	2.00	—
II	4.35	— 50.6	54.42	— 66.1	1.02	— 2	2.02	— 1.0
III	4.32	— 50.2	51.50	— 64.1	1.02	— 2	2.00	—
IV	4.31	— 50.1	51.44	— 64.1	1.02	— 2	2.01	— 0.5
V	4.42	— 51.4	53.50	— 65.5	1.02	— 2	2.03	— 1.5
VI	4.53	— 52.5	56.10	— 67.1	1.01	— 1	2.04	— 2.0
VII	4.48	— 52.0	57.75	— 68.0	1.01	— 1	2.05	— 2.4
VIII	4.37	— 50.8	58.50	— 68.4	1.01	— 1	2.06	— 2.9
IX	4.31	— 50.1	54.60	— 66.2	1.01	— 1	2.08	— 3.9
X	4.20	— 48.8	55.60	— 66.8	1.01	— 1	2.06	— 2.9
XI	4.26	— 49.5	58.00	— 68.2	1.01	— 1	2.02	— 1.0
XII	4.40	— 51.1	58.17	— 68.3	1.01	— 1	2.01	— 0.5
1923								
I	4.69	— 54.2	57.00	— 67.6	1.01	— 1	2.00	—
II	4.68	— 54.1	57.16	— 67.7	1.01	— 1	2.01	— 0.5
III	4.52	— 52.4	57.45	— 67.9	1.01	— 1	2.01	— 0.5
IV	4.46	— 51.8	57.64	— 68.0	1.01	— 1	2.02	— 1.0
V	4.45	— 51.8	59.05	— 68.7	1.01	— 1	2.06	— 2.9
VI	4.32	— 50.2	59.95	— 69.2	1.01	— 1	2.06	— 2.9
VII	4.38	— 50.9	62.87	— 70.6	1.01	— 1	2.05	— 2.4
VIII	4.44	— 51.6	61.87	— 70.2	1.01	— 1	2.06	— 2.9
IX	4.50	— 52.2	62.35	— 70.4	1.01	— 1	2.05	— 2.4
X	4.71	— 54.4	62.60	— 70.5	1.01	— 1	2.01	— 0.5
XI	4.59	— 53.2	63.10	— 70.7	1.01	— 1	2.01	— 0.5
XII	4.49	— 52.3	62.69	— 70.5	1.01	— 1	2.02	— 1.0
1924								
I	4.36	— 50.7	62.50	— 70.5	1.01	— 1	2.01	— 0.5
II	4.36	— 50.7	59.88	— 69.2	1.01	— 1	2.01	— 0.5
III	4.05	— 46.9	60.13	— 69.3	1.01	— 1	2.01	— 0.5
IV	4.00	— 46.3	60.33	— 69.4	1.01	— 1	2.01	— 0.5
V	4.06	— 47.0	59.60	— 69.0	1.01	— 1	2.01	— 0.5
VI	4.02	— 46.5	60.00	— 69.2	1.01	— 1	2.01	— 0.5
VII	4.01	— 46.4	60.00	— 69.2	1.01	— 1	2.03	— 1.5
VIII	4.00	— 46.3	59.83	— 69.1	1.01	— 1	2.04	— 2.0
IX	4.02	— 46.5	58.63	— 68.5	1.01	— 1	2.01	— 0.5
X	4.01	— 46.4	59.00	— 68.7	1.01	— 1	2.00	—
XI	4.00	— 46.3	59.78	— 69.1	1.01	— 1	2.00	—
XII	4.02	— 46.5	60.00	— 69.2	1.01	— 1	2.01	— 0.5

* Câble.

[1] En 1922, le colon a éte dévalué à 25 cents des Etats-Unis.

[2] Faute de parité légale du peso-papier, taux moyen de 1913. Depuis novembre 1924, la parité légale a été fixée à 60 pesos pour 1 $.

[1] In 1922 the colon was devaluated to 25 U. S. cents.

[2] As there is no legal parity of the paper peso, the average rate in 1913 has been used. In November 1924 a legal tender of 60 pesos for 1 dollar was established.

TABLEAU II. — FLUCTUATIONS DU TAUX DE L'ESCOMPTE*

Taux pratiqué le dernier jour de chaque mois.

	1922												1923					
Mois	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Pays																		
Allemagne [1]	5	5	5	5	5	5	**6**	**7**	**8**	8	**10**	10	**12**	12	12	**18**	18	18
Autriche	7	7	7	7	7	7	7	7	**9**	9	9	9	9	9	9	9	9	9
Belgique	5	5	5	5	5	**4½**	4½	4½	4½	4½	4½	4½	**5½**	5½	5½	5½	5½	5½
Bulgarie	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½
Danemark	5½	5½	5½	**5**	5	5	5	5	5	5	5	5	5	5	5	5	**6**	6
Dantzig	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Espagne	6	6	6	6	**5½**	5½	5½	5½	5½	5½	5½	5½	5½	5½	**5**	5	5	5
Esthonie	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Finlande	9	9	9	9	9	9	9	9	9	**8**	8	8	8	8	8	8	8	8
France	5½	5½	**5**	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Grèce	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	**7½**	7½	7½	7½	7½	7½
Hongrie	6	6	6	6	6	6	6	6	6	**8**	8	8	8	8	8	**12**	12	12
Italie	6	6	6	6	6	6	**5½**	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½
Lettonie [2]	—	—	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Norvège	**6**	6	6	6	**5½**	5½	5½	**5**	5	5	5	5	5	5	5	5	**6**	6
Pays-Bas	4½	4½	4½	4½	4½	4½	**4**	4	4	4	4	4	4	4	4	4	4	4
Pologne [3] A	7	7	7	7	7	7	7	7	7	7	7	7	7	**18**	18	18	18	18
B																6	6	6
Portugal	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	**8**	8
Roumanie	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Royaume-Uni	5	**4½**	4½	**4**	4	**3½**	**3**	3	3	3	3	3	3	3	3	3	3	3
Royaume des Serbes, Croates et Slovènes	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Suède	5½	5½	**5**	5	5	5	**4½**	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½
Suisse	4	4	**3½**	3½	3½	3½	3½	**3**	3	3	3	3	3	3	3	3	3	3
Tchécoslovaquie	5½	5½	5½	**5**	5	5	5	5	5	5	5	**7**	**5**	5	5	5	**4½**	4½
Indes anglaises [4]	7	**8**	8	**7**	7	**5**	**4**	4	4	**5**	5	**7**	**8**	8	8	8	**6**	**4**
Indes néerlandaises	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½
Japon	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Australie	6–7	6–7	6–7	6–7	6–7	6–7	**5-7**	**6-8**	**6-7**	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7
Nouvelle-Zélande [5]	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½
Afrique du Sud [6]	7½	7½	7½	7½	**7**	7	7	7	7	7	7	**6**	6	6	6	6	6	6
Etats-Unis [7]	4½	4½	4½	4½	4½	**4**	4	4	4	4	4	4	4	**4½**	4½	4½	4½	4½
Colombie	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Pérou	—	—	—	—	—	7	7	7	7	6½	6½	6½	6½	6½	6½	**6**	6	6
Venezuela [8]	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8

* Il n'est pas possible de donner pour la Russie des chiffres strictement comparables avec les autres pays. Voir observations aux tableaux III et IV. — [1] Jusqu'à la fin de décembre 1923, taux pour les effets de commerce exprimés en marks-papier; depuis, taux pour les effets à « valeur stable ». Ce taux était pour décembre 1923 également de 10%. — [2] Taux d'escompte pour les effets de commerce à 90 jours et d'agriculture à six mois. Le taux de réescompte pour les effets escomptés par d'autres banques a été de 7%. — [3] A. Taux d'escompte pour les effets en marks, y compris la commission que la Caisse de prêts demandait à partir de juin 1923, et qui s'élevait à 50% du taux d'escompte officiel. B. Taux d'escompte pour les effets exprimés en « zlotys ». — [4] Taux d'escompte de l'« Imperial Bank of India ». — [5] Taux d'escompte des six banques d'émission. — [6] Jusqu'à fin novembre 1922, « minimum advance rate » des banques commerciales; à partir de décembre, taux officiel d'escompte. — [7] Taux de la « Federal Reserve Bank » de New-York pour effets de commerce de 60 à 90 jours. — [8] Taux d'escompte de la Banque du Venezuela pour les effets à 90 jours.

TABLE II. — CHANGES IN BANK RATES OF DISCOUNT*

Rate ruling on last day of each month.

1923						1924												
VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Month
																		Country
18	**30**	**90**	90	90	90	**10**	10	10	10	10	10	10	10	10	10	10	10	Germany [1]
9	9	9	9	9	9	9	9	9	9	9	**12**	12	**15**	15	15	**13**	13	Austria
5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	Belgium
6½	6½	6½	6½	6½	**9**	9	9	9	9	9	9	9	**10**	10	10	10	10	Bulgaria
6	6	6	6	6	6	**7**	7	7	7	7	7	7	7	7	7	7	7	Denmark
—	—	—	—	—	—	—	—	12	12	12	12	12	12	**10**	10	10	10	Danzig
5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	Spain
8	8	8	8	8	8	8	8	8	8	8	**9½**	9½	9½	9½	9½	9½	9½	Esthonia
8	8	**9**	**8**	8	**10**	10	10	**9**	9	9	9	9	9	9	9	9	9	Finland
5	5	5	5	5	5	**6**	6	6	6	6	6	6	6	6	6	6	**7**	France
7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½	Greece
18	18	18	18	18	18	18	18	18	18	18	**10**	10	10	**12½**	12½	12½	12½	Hungary
5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	Italy
9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	Latvia [2]
6	6	6	6	**7**	7	7	7	7	7	7	7	7	7	7	7	**6½**	6½	Norway
4	4	4	4	4	**4½**	**5**	5	5	5	5	5	5	5	5	5	5	**4½**	Netherlands
18	18	18	**36**	**72**	72	—	—	—	—	—	—	—	—	—	—	—	—	A Poland [3]
6	6	6	6	6	6	**9**	**12**	12	12	12	12	12	12	12	12	**10**	10	B
8	8	**9**	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	Portugal
6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	Roumania
4	4	4	4	4	4	4	4	4	**4**	4	4	4	4	4	4	4	4	United Kingdom
																		Kingdom of the Serbs,
6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	Croats and Slovenes
4½	4½	4½	4½	**5½**	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	Sweden
4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	Switzerland
4½	4½	4½	4½	**5½**	5½	5	5	**6½**	6½	**6**	6	6	6	6	6	6	6	Czechoslovakia
4	4	4	4	**6**	**7**	**8**	**9**	9	**8**	**7**	**6**	**4**	**5**	5	**6**	6	6	British India [4]
3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	**4½**	4½	4½	Dutch East Indies
8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	Japan
6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	6–7	Australia
6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	6½	New Zealand [5]
6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	**5½**	5½	South Africa [6]
4½	4½	4½	4½	4½	4½	4½	4½	4½	**4**	4	**3½**	3½	**3**	3	3	3	3	United States [7]
12	12								**9**	**7**	7	7	7	7	7	7	7	Colombia
6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	Peru
8	8	**7**	7	7	7	7	7	7	7	7	7							Venezuela [8]

* No figures for Russia strictly comparable with those for the other countries can be given. See note to Tables III and IV. — Until the end of December 1923, rate for bills expressed in paper marks; since, rate for bills in stable values; this rate for December 23 was also 10%. — [2] Discount rate for sound commercial paper of 90 days and agricultural bills of six months. The rate of discount for bills discounted by other credit institutions was 7%. — [3] A. Rate for bills in marks, including a commission charged ıce June 1923 by the Loan Bank, which amounted to 50% of the official rate. B. Rate for bills expressed in "zlotys". — Rate of the Imperial Bank of India. — [5] Rate of the six Banks of Issue. — [6] Until the end of November 1922, "minimum advance te" of the Commercial Banks; since December, official discount rate. — [7] Rate of the Federal Reserve Bank of New York for 60 to days' commercial paper. — [8] Discount rate of the Bank of Venezuela for 90 days' bills.

TABLEAU III

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays / Country	Etalon monétaire / Unit of Currency	Catégorie des billets	1913	1914	1915	1916	1917	1918	1919	1920
EUROPE										
Allemagne Germany	Mark, depuis déc. 1923 «Billionmark» resp. «Reichsmark» «Rentenmark» «Goldmark»	Reichsbank	2593	5046	6918	8055	11468	22192	35699	68806
		Autres banques d'émission	160	134	143	158	163	283	257	233
		Billets de la Caisse des Prêts	—	446	972	2873	6265	10242	13781	12033
		Billets du Trésor	149	236	327	352	350	356	328	316
		«Notgeld», émissions légalisées	—	—	—	—	—	—	—	—
		Rentenbank	—	—	—	—	—	—	—	—
		Autres billets à valeur stable	—	—	—	—	—	—	—	—
		TOTAL	2902	5862	8360	11438	18246	33073	50065	81388
Autriche Austria	Krone	Banque Nationale d'Autriche: [2]								
		Billets	—	—	—	—	—	—	—	30646
		«Sichtkassenscheine»	—	—	—	—	—	—	—	—
		TOTAL	—	—	—	—	—	—	—	30646
Belgique Belgium	Franc	Banque Nationale de Belgique	1067	1614	1320	1282	1268	3210	4786	6260
		Do. Billets du type «Comptes courants»	—					36	10	3
		Société Générale de Belgique	—					1888	981	262
		TOTAL	1067					5134	5777	6525
Bulgarie Bulgaria	Lev	Banque Nationale	189	227	370	834	1493	2299	2858	3354
Danemark Denmark	Krone	Banque Nationale	152	207	220	285	338	450	489	557
Dantzig Danzig	Gulden	Banque de Dantzig	—	—	—	—	—	—	—	—
Espagne Spain	Peseta	Banque d'Espagne	1931	1974	2100	2360	2799	3334	3867	4326

[1] A ajouter 12 zéros. [2] Jusqu'au 2 janvier 1923: Banque d'Autriche-Hongrie, Section autrichienne.

TABLE III

SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1921	1922	1923 31-III	1923 30-VI	1923 30-IX	1923 31-XII	1924 31-III	1924 30-VI	1924 30-IX	1924 30-XII	Description of issues
EUROPE										
113642	1280098	5517920	17291061	[1] 28229	497	690	1097	1521	1942	Reichsbank.
335	1470	12210	89295	[1] 15					114	Other Banks of Issue
8325	13450	12561	12239		—	—	—	—	—	Loan Bureau Notes.
198	213	209	205		—	—	—	—	—	Treasury Notes.
—	—	15700	6100	[1] 408	111	27	—	—	—	Authorised Emergency Issues.
—	—	—	—	—	1049	1760	1772	1853	1835	Rentenbank.
—	—	—	—	—	617	321	65	7	—	Other fixed-value notes.
122500	1295231	5558600	7398900	[1] 28652	2274	2798	2934	3381	3891	TOTAL
174115	4080177	4459117	5432619	6225109	7125755	7144901	7774958	7998509	8387767	Austrian National Bank: [2] Notes.
6951	369	—	—	—	—	—	—	—	—	"Sichtkassenscheine"
181066	4080546	4459117	5432619	6225109	7125755	7144901	7774958	7998509	8387767	TOTAL
6415	6876	6884	6832	7150	7537	7652	7669	7526	7873	National Bank of Belgium.
1	—	—	—	—	—	—	—	—	—	Do. "Current a/c" Notes.
46	—	—	—	—	—	—	—	—	—	Société Générale de Belgique.
6462	6876	6884	6832	7150	7537	7652	7669	7526	7873	TOTAL.
3615	3886	3902	3811	3873	4139	4748	4793	4362	4530	National Bank.
471	459	470	482	459	473	463	477	473	478	National Bank.
—	—	—	—	—	—	14	21	28	32	Bank of Danzig.
4244	4137	4101	4074	4170	4338	4322	4343	4458	4535	Bank of Spain.

[1] 000,000,000,000's omitted. [2] Up to January 2nd, 1923: Austro-Hungarian Bank, Austrian Section.

Tableau III (*suite*).

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays / Country	Etalon monétaire / Unit of Currency	Catégories des billets	1913	1914	1915	1916	1917	1918	1919	1920
Esthonie / Esthonia	Eesti mark	Banque d'Esthonie [1] . .	—	—	—	—	—	—	—	—
		Billets du Trésor	—	—	—	—	—	—	591	2092
		TOTAL . . .	—	—	—	—	—	—	591	2092
Finlande / Finland	Markka	Banque de Finlande . .	113	142	232	421	764	1156	1124	1341
France	Franc	Banque de France . . .	5714	10043	13216	16580	22336	30250	37275	37552
Grèce [2] / Greece [2]	Drachma	Banque Nationale de Grèce	235	252	379	554	848	1258	1375	1508
		Banque Ionienne . . .	6	7	6	6	6	6	7	—
		Banque de Crête . . .	4	6	7	9	11	10	—	—
		TOTAL . . .	245	265	392	569	865	1274	1382	1508
Hongrie / Hungary	Korona	Banque Nationale de Hongrie : [3]								
		Billets	—	—	—	—	—	—	—	14308
		Bons de Caisse . .	—	—	—	—	—	—	—	—
		TOTAL . . .	—	—	—	—	—	—	—	14308
Italie / Italy	Lira	Banque d'Italie	1764	2162	3040	3876	6539	9223	12692	15437
		Banque de Naples . . .	418	629	771	946	1575	2102	2977	3526
		Banque de Sicile . . .	101	145	157	190	310	425	612	768
		TOTAL . . .	2283	2936	3968	5012	8424	11750	16281	19731
		Billets d'Etat	499	657	1082	1317	1749	2124	2271	2268
		Billets d'Etat argent (1 et 2 lire)	—	—	—	—	92	213	262	276
		TOTAL . . .	2782	3593	5050	6329	10265	14087	18814	22275
Lettonie / Latvia	Lat L. rble	Banque de Lettonie [1] .	—	—	—	—	—	—	—	—
		Billets d'Etat	—	—	—	—	—	—	106	947
		TOTAL [4]. . .	—	—	—	—	—	—	—	—

[1] Circulation nette avec le public. [2] Non compris la circulation des billets d'Etat, qui était en 1921 de 38.5 millions de drachmai. [3] Jusqu'au 1er août 1921 : Banque d'Autriche-Hongrie, Section hongroise. Jusqu'au 24 juin 1924 : Office National d'Emission. [4] Total exprimé en latu (1 lat = 50 roubles).

Table III (*continued*).

SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII	
300	1209	1602	1666	1722	1785	1710	1697	1682	1815	Bank of Esthonia [1]
2757	2517	2284	2011	1864	1657	1811	1389	1427	1747	State Notes.
3057	3726	3886	3677	3586	3442	3521	3086	3109	3562	TOTAL.
1356	1421	1555	1436	1383	1352	1400	1305	1279	1250	Bank of Finland.
36417	35953	37188	36689	37626	37763	39950	39665	40339	40604	Bank of France.
2161	3149	3711	4342	4330	4681	4701	4542	4654	4866	Nat. Bank of Greece
—	—	—	—	—	—	—	—	—	—	Ionian Bank.
—	—	—	—	—	—	—	—	—	—	Bank of Crete.
2161	3149	3711	4342	4330	4681	4701	4542	4654	4866	TOTAL.
										National Bank of Hungary: [3]
25175	75887	82205	154996	588810	931337	1606875	2893719	4115925	4513990	Notes.
—	23	2	3075	34	12	8	—	—	—	"Bons de Caisse".
25175	75910	82207	158071	588844	931349	1606883	2893719	4115925	4513990	TOTAL.
14847	13922	13066	13069	12930	12868	12583	13356	13603	13987	Bank of Italy.
3576	3391	3261	3514	3486	3570	3482	3371	3364	3243	Bank of Naples.
786	699	708	752	729	809	754	798	794	884	Bank of Sicily.
19209	18012	17035	17335	17145	17247	16819	17525	17761	18114	TOTAL.
2267	2267	2242	2428	2428	2428	2428	2428	2400	2400	State Notes.
278	281	281	281	281	281	281	281	281	356	State Silver Notes (1 and 2 lire).
21754	20560	19558	20044	19854	19956	19528	20234	20442	20870	TOTAL.
	10	16	20	19	21	22	22	22	29	Bank of Latvia [1].
2282	2419	2369	2369	2369	2319	2269	2269	2269	2269	State Notes.
—	58	63	67	67	67	67	67	67	74	TOTAL [4].

[1] Notes issued to the public. [2] Excluding the circulation of Government notes which amounted in 1921 to 38.5 million drachmai. [3] Up to August 1st, 1921: Austro-Hungarian Bank, Hungarian Section. Up to June 24th, 1924: National Office of Note Issue. [4] Total circulation expressed in latu (1 lat = 50 roubles).

Tableau III (*suite*).

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924. (En millions.)

Pays Country	Etalon monétaire Unit of Currency	Catégorie des billets	1913	1914	1915	1916	1917	1918	1919	1920
Lithuanie **Lithuania**	Litas	Banque de Lithuanie .	—	—	—	—	—	—	—	—
Luxembourg **Luxemburg**	Franc	Banque Internationale .	3.3	4.3	6.1	6.2	6.2	6.2	5.5	4.3
		Gouvernement	—	—	10.0	10.0	10.0	267.7	217.7	217.7
		TOTAL . . .	3.3	4.3	16.1	16.2	16.2	273.9	223.2	222.0
Norvège **Norway**	Krone	Banque de Norvège . .	108	134	162	251	326	431	449	483
		Billets divisionnaires . .	—	—	—	—	—	5	5	9
		TOTAL . . .	108	134	162	251	326	436	454	492
Pays-Bas **Netherlands**	Gulden	Banque des Pays-Bas . .	313	494	577	758	890	1069	1033	1072
		Billets d'Etat (argent) .	—	11	5	16	27	69	41	51
		TOTAL . . .	313	505	582	774	917	1138	1074	1123
Pologne **Poland**	Marka p Zloty	Caisse Nationale de Prêts [1]	—	—	—	—	—	1022	5267	49362
		Banque de Pologne . . .	—	—	—	—	—	—	—	—
Portugal	Escudo	Banque Nationale . . .	87	96	115	140	193	274	371	611
Roumanie [2] **Roumania** [2]	Leu	Banque Nationale . . .	437	578	762	1452	1961	2489	4215	9486
		Banque Générale . . .	—	—	—	—	2149	2149	2149	969
		TOTAL . . .	437	578	762	1452	4110	4638	6364	10455
Royaume-Uni **United Kingdom**	£	Banque d'Angleterre . .	29.6	36.2	35.3	39.9	46.6	70.2	87.3	113.3
		Billets d'Etat	—	38.5	103.1	150.1	212.8	323.2	356.2	367.6
		Banques privées et commerciales	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1
		Bques d'émission d'Ecosse	1.1	1.1	1.2	1.2	1.2	0.6	0.6	0.5
		Bques d'émission d'Irlande	3.8	3.7	5.2	5.5	5.3	5.0	4.7	4.9
		TOTAL . . .	34.6	79.6	144.9	196.8	266.0	399.2	449.0	486.4

[1] La valeur des billets en circulation en millions de zloty à la fin des divers trimestres de 1924 était:

	31-III	30-VI	30-IX	31-XII
Billets d'Etat	331	79	6	2
Billets de banque	—	334	460	551
Total	331	413	466	553

[2] Non compris la circulation des billets d'Etat, qui était à la fin de 1920 de 7 millions.

Table III (*continued*).

HOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924. (000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31–III	'30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII	
—	30.4	42.4	48.6	53.6	60.0	71.2	67.9	74.5	93.0	Bank of Lithuania.
5.4	0.6									International Bank.
217.7	42.7									Government.
223.1	43.3									TOTAL.
410	385	375	415	402	396	380	395	389	392	Bank of Norway.
9	10	9	9	10	11	10	10	10	10	Divisionary Notes.
419	395	384	424	412	407	390	405	399	402	TOTAL.
1013	1012	966	962	1012	1066	1018	983	972	935	Netherlands Bank.
33	32	29	27	28	32	31	29	27	23	Gov. "Silver Bonds"
1046	1044	995	989	1040	1098	1049	1012	999	958	TOTAL.
229538	793437	1841206	3566649	11197738	125371955	596244206	141858402	—	—	Nat. Loan Bureau.[1]
—	—	—	—	—	—	—	334	460	551	Bank of Poland.
737	1054	1139	1213	1320	1420	1491	1581	1662	1763	National Bank.
13722	15162	15470	16202	17426	17917	17832	17793	18871	19397	National Bank.
186	—	—	—	—	—	—	—	—	—	"Banque Générale"
13908	15162	15470	16202	17426	17917	17832	17793	18871	19397	TOTAL.
107.1	102.9	102.0	102.7	101.6	105.7	102.9	104.1	101.5	101.3	Bank of England.
325.6	295.4	285.6	286.5	282.8	299.1	281.5	290.3	285.6	296.3	Currency Notes.
—	—	—	—	—	—	—	—	—	—	English Private and Joint-Stock Banks
0.5	0.6	0.6	0.7	0.6	0.7	0.8	0.7	0.4	0.6	Scotch Banks of Iss.
5.2	5.3	5.4	5.5	5.3	5.5	5.5	5.7	5.7	5.7	Irish Banks of Issue.
438.4	404.2	393.5	395.4	390.3	411.0	390.7	400.8	393.1	403.9	TOTAL.

[1] The value of the note circulation in terms of zloty (000,000's omitted) at the end of the various quarters of 1924 was:

	31–III	30–VI	30–IX	31–XII
State notes	331	79	6	2
Bank notes	—	334	460	551
Total	331	413	466	553

[2] Excluding the circulation of Government notes, which amounted at the end of 1920 to 7 millions.

Tableau III (*suite*).

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924. (En millions.)

Pays / Country	Etalon monétaire / Unit of Currency	Catégories des billets	1913	1914	1915	1916	1917	1918	1919	1920
Russie / Russia	Roubl-papier	Billets d'Etat	1700	3000	5700	9300	27400	60900	225100	1168700
	Roubl-or		—	—	—	—	—	—	—	—
	Roubl-Tchervonetz	Banque d'Etat	—	—	—	—	—	—	—	—
		Total en roubl-or . .	—	—	—	—	—	—	—	—
Royaume S. H. S. Kingdom S. C. H.	Dinar	Banque Nationale . . .								3344
Suède Sweden	Krona	Banque de Suède . . .	234	304	328	418	573	814	748	760
Suisse Switzerland	Franc	Banque Nationale Suisse	314	456	466	537	702	976	1036	1024
		Billets de la Caisse des Prêts [2]	—	8	36	25	8	20	10	15
		Total . . .	314	464	502	562	710	996	1046	1039
Tchécoslovaquie Czechoslovakia	Koruna	Office Bancaire, Ministère des Finances	—	—	—	—	—	—	4723	11289
ASIE										
Indes britanniques British India	Rupee	Billets d'Etat	646	608	623	822	1083	1471	1829	1614
		Moins: Billets conservés dans les caisses d'Etat	73	46	41	60	57	40	40	29
		Total net .	573	562	582	762	1026	1431	1789	1585
Indes néerlandaises Dutch East Indies	Gulden	Banque de Java	111	131	136	157	168	198	311	369
		Billets d'Etat	—	—	—	—	—	—	10	47
		Total . . .	111	131	136	157	168	198	321	416
Japon Japan	Yen	Banque du Japon . . .	426	386	430	601	831	1145	1555	1439
		Billets d'Etat	—	—	—	—	20	91	145	200
		Total . . .	426	386	430	601	851	1236	1700	1639
Siam	Tical	Billets d'Etat [4]	29	31	40	48	60	114	109	73

[1] En milliards. A partir de 1923, circulation nette; le chiffre correspondant pour décembre 1922 était 1,994,464,500.
[2] Billets émis moins les billets retenus par la Banque Nationale. [3] Voir remarques, Vol. II. [4] Chiffres annuels: fin mars de l'année suivante.

Table III (*continued*).

SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924. (000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31–III	30–VI	30–IX	31–XIJ	31–III	30–VI	30–IX	31–XII	
17539600	2138711400	[1] 4482740	[1] 9032410	[1] 22701870	[1] 178509800	[1] 768000000	[1] 248000000	—	—	State Notes.
—	—	3	22	33	70	129	205	276	311	
—	4	26	70	207	237	295	299	347	411	State Bank.
—	118	177	211	296	367	449	509	623	722	Total in gold roubl.
4688	5040	5406	5561	5929	5790	5586	5434	5968	6002	National Bank.
628	584	587	586	600	576	557	557	564	537	Bank of Sweden.
1009	976	920	894	930	982	901	877	891	914	Swiss Nat. Bank.
6	1	1	1	1	1	1	1	—	—	Loan BureauNotes [2]
1015	977	921	895	931	983	902	878	891	914	TOTAL.
12130	10064	9157	9376	9311	9599	8280	8081	8223	8810	Banking Office, Ministry of Finance.

ASIA

1725	1742	1747	1736	1793	1834	1859	1725	1793	1792	Currency Notes issued by Treasury.
23	19	31	[3]	[3]	[3]	[3]	[3]	[3]	[3]	*Less*: held by Treasury.
1702	1723	1716								NET TOTAL.
282	262	269	264	259	260	264	253	265	277	Java Bank.
52	43			42	42	41	43	44		State Notes.
334	305			301	302	305	296	309		TOTAL.
1547	1558	1239	1371	1460	1704	1319	1364	1239	1561	Bank of Japan.
217	159	131	103	90	68	56	44	31	26	Government Notes.
1764	1717	1370	1474	1550	1772	1375	1408	1270	1587	TOTAL.
	77	92	96	102	106	116	111	112	114	Currency Notes [4].

[1] 000,000,000's omitted. From1923, net circulation; the corresponding figure for December 1922 was 1,994,464,500.
[2] Notes issued less notes held by the National Bank. [3] See notes, Vol. II. [4] Yearly figures: end of March of the following year.

Tableau III (*suite*).

TABLEAU INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays / Country	Etalon monétaire / Unit of Currency	Catégorie des billets	1913	1914	1915	1916	1917	1918	1919	1920
AUSTRALASIE										
Australie / Australia	£	Billets d'Etat	10.0	20.3	42.2	46.6	47.8	58.9	56.6	—
		Billets de la « Commonwealth Bank »	—	—	—	—	—	—	—	58.7
		Moins : Billets détenus par le Service bancaire de la «Commonwealth Bank»	—	0.4	5.6	11.6	5.3	15.8	3.1	1.6
		Circulation nette	10.0	19.9	36.6	35.0	42.5	43.1	53.5	57.1
		Autres banques (anciennes émissions)	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
		TOTAL	10.3	20.2	36.9	35.3	42.7	43.3	53.7	57.3
Nouvelle-Zélande / New Zeal.	£	Banques d'émission [1]	1.7	2.6	3.1	4.8	6.5	6.8	7.3	8.3
AFRIQUE										
Afrique du Sud / South Africa	£	Banques commerciales [2] :								
		Billets à cours légal	1.1	1.2	1.3	1.6	2.0	2.4	2.8	2.4
		Autres billets	1.2	1.3	1.4	1.8	2.5	3.9	5.2	6.7
		Banque de Réserve [3]	—	—	—	—	—	—	—	—
		TOTAL	2.3	2.5	2.7	3.4	4.5	6.3	8.0	9.1
Egypte / Egypt	£E.	Banque Nationale d'Egypte [4]	2.2	7.5	10.6	19.4	29.6	44.5	62.8	37.3
		Billets d'Etat	—	—	—	—	—	1.2	1.6	1.6
		TOTAL	2.2	7.5	10.6	19.4	29.6	45.7	64.4	38.9

[1] Chiffres annuels: moyennes du dernier trimestre. Chiffres trimestriels: moyennes de trimestre. La circulation avec le public, c'est-à-dire en dehors des six banques, s'élevait à 6,3 millions pour le dernier trimestre de 1923. [2] Non compris la circulation en dehors de l'Union. [3] Circulation nette avec le public. [4] Billets émis moins les billets retenus par le service bancaire de la Banque Nationale.

Table III (*continued*).

SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII	
AUSTRALASIA										
—	—	—	—	—	—	—	—	—	—	Government Notes.
55.5	52.0	52.3	52.1	52.0	52.2	53.9	56.9	56.9	56.9	Commonwealth Bank.
2.7	2.0	3.5	4.5	4.9	3.3	6.9	8.9	9.5	5.4	*Less*: Notes held by Banking Department of Commonwealth Bank.
52.8	50.0	48.8	47.6	47.1	48.9	47.0	48.0	47.4	51.5	Net circulation.
0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	Other Banks: old issues.
53.0	50.2	49.0	47.8	47.3	49.1	47.2	48.2	47.6	51.7	TOTAL.
7.5	6.8	6.6	6.7	6.4	6.6	6.6	6.6	6.4	6.8	Banks of Issue [1].
AFRICA										
1.8	0.3	0.2	0.2	0.1	0.1	0.1	—	—	—	Joint-Stock Banks[2]: Leg. Tend. Notes.
7.0	0.9	0.7	0.5	0.5	0.5	0.4	—	—	—	Other notes.
—	7.1	7.6	8.1	8.1	8.2	8.4	9.1	8.5	9.1	S.A. Reserve Bank[3].
8.8	8.3	8.5	8.8	8.7	8.8	8.9	9.1	8.5	9.1	TOTAL.
35.3	31.7	29.6	25.8	27.1	34.3	31.8	28.1	32.6	40.2	National Bank of Egypt [4].
0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	Currency Notes.
35.6	31.8	29.7	25.9	27.2	34.4	31.9	28.2	32.5	40.3	TOTAL.

[1] Yearly figures: averages of the last quarter. Quarterly figures: averages of quarter. The circulation with the public, *i.e.* outside the six banks of issue, amounted in the last quarter of 1923 to 6.3 millions. [2] Excluding circulation outside the Union. [3] Notes issued to the public. [4] Notes issued less notes held by the Banking Department of the National Bank.

Tableau III (*suite*).

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays / Country	Etalon monétaire / Unit of Currency	Catégories des billets	1913	1914	1915	1916	1917	1918	1919	1920
AMÉRIQUE DU NORD										
Canada	$	*a*) Billets d'Etat: Total [1]	131	161	179	181	273	327	319	312
		b) Billets d'Etat (petites coupures) [2]	20	18	22	25	28	29	30	32
		c) Billets des Chartered Banks [3]	96	96	110	133	174	203	210	210
		TOTAL: *b*) + *c*) .	116	114	132	158	202	232	240	242
Etats-Unis [4] **United States** [4]	$	Billets de la Réserve fédérale	—	(17)	(204)	258	1228	2632	2987	3349
		Billets des banques de la Réserve fédérale . .	—	—	—	4	10	118	201	213
		Billets des banques nationales.	726	(975)	(747)	679	691	652	680	702
		Billets des Etats-Unis .	340	(310)	(341)	330	303	289	277	264
		Billets du Trésor de 1890	3	(2)	(2)	2	2	2	2	2
		TOTAL . . .	1069	(1304)	(1294)	1273	2234	3693	4147	4530
		Certificats argent . . .	478	(455)	(486)	477	458	255	144	71
		Certificats or	1028	(921)	(1281)	1282	700	420	306	212
		TOTAL général .	2575	(2680)	(3061)	3032	3392	4368	4597	4813
AMÉRIQUE CENTRALE ET DU SUD										
Argentine	Peso papel	Billets d'Etat (Caisse de Conversion)	823	803	988	1013	1013	1154	1177	1363
Bolivie Bolivia	Boliviano	Banque de la Nation . .	6.5	13.3	15.9	16.8	20.4	26.0	26.9	33.9
		Banques privées	14.3	8.2	6.7	8.2	8.8	9.1	8.9	8.2
		TOTAL . . .	20.8	21.5	22.6	25.0	29.2	35.1	35.8	42.1

[1] Ces billets sont retenus par les Chartered Banks à l'exception des petites coupures données sous *b*). [2] Billets d'Etat en circulation avec le public. [3] Circulation nette en dehors des « Chartered Banks ». [4] Les chiffres pour 1914 et 1915, calculés d'après les anciens relevés de circulation, sont un peu trop élevés par rapport aux chiffres des années suivantes établis d'après les nouveaux relevés. Les chiffres de 1916 se rapportent au 1er février 1917.

Table III (*continued*).

TABLE SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII	
NORTH AMERICA										
281	257	243	234	243	249	217	210	210	262	(*a*) Dominion Notes Total [1].
27	27	27	27	29	28	27	28	28	28	(*b*) Small Dominion Notes [2].
163	157	156	158	165	159	155	152	149	149	(*c*) Chartered Bank Notes [3].
190	184	183	185	194	187	182	180	177	177	TOTAL: (*b*) + (*c*).
2443	2373	2232	2235	2246	2224	1989	1843	1729	1842	Federal Reserve Notes.
99	37	26	20	17	14	12	10	9	8	Federal Reserve Bank Notes.
713	708	733	711	731	713	737	734	737	705	National B. Notes.
279	286	294	303	306	307	305	298	304	295	U. S. Notes.
2	1	1	1	1	1	1	1	1	1	Treas. Notes of 1890.
3536	3405	3286	3270	3301	3259	3044	2886	2780	2851	TOTAL.
238	289	339	364	376	375	367	365	389	388	Silver Certificates.
179	303	319	386	465	582	687	801	898	971	Gold Certificates.
3953	3997	3944	4020	4142	4216	4098	4052	4067	4211	Grand TOTAL.
CENTRAL AND SOUTH AMERICA										
1363	1363	1363	1363	1363	1363	1363	1353	1330	1320	Government (Conversion Office).
27.4	24.4		25.8		26.5		28.3		31.7	Bank of the Nation.
6.3	6.7		6.1		5.8		5.3		3.1	Private Banks.
33.7	31.1		31.9		32.3		33.6		34.8	TOTAL.

[1] These notes are held by the Chartered Banks, except the small notes shown under (*b*). [2] Dominion notes in actual circulation with the public. [3] Net circulation outside the Chartered Banks. [4] The figures for 1914 and 1915 are compiled according to the old circulation statements and are therefore somewhat too high as compared with the figures for the following years compiled according to the new circulation statements. The figures for 1916 refer to February 1st, 1917.

Tableau III (*suite*).

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924. (En millions).

Pays / Country	Etalon monétaire / Unit of Currency	Catégorie des billets	1913	1914	1915	1916	1917	1918	1919	1920
Brésil / Brazil	Milreis	Billets de la Caisse de Conversion	295	158	95	95	95	21	19	19
		Billets du Trésor	602	822	982	1122	1389	1679	1729	1829
		Banque du Brésil	—	—	—	—	—	—	—	—
		TOTAL	897	980	1077	1217	1484	1700	1748	1848
Chili / Chile	$ papel	Billets d'Etat	186	225	178	179	186	228	251	303
Colombie / Colombia	$	Banque de la République	—	—	—	—	—	—	—	—
		«Billets-or» d'Etat	—	—	—	—	—	—	—	—
		Autre monnaie papier	—	—	—	—	—	—	—	—
		TOTAL	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—
Costa Rica [2]	Colon	Billets d'Etat	—	4.16	5.53	5.44	5.47	7.59	18.36	15.64
		Billets-argent	—	—	—	—	(0.59)	(3.27)	(3.27)	3.24
		Caisse de Conversion	—	—	—	—	—	—	—	—
		TOTAL	—	4.16	5.53	5.44	(6.06)	(10 86)	(21 63)	18.88
Equateur / Ecuador	Sucre	6 Banques	10.1	10.9	11.2	11.8	12.5	11.9	13.4	16.5
Guatemala	Peso	6 Banques	104.7	125.5	155.4	171.4	[3]	220.4	244.8	309.6
Honduras	Peso	Banque de Honduras	0.440	0.440	0.490	0.505	0.505	0.505	0.475	0.475
		Banque Atlantida	—	0.113	0.195	0.139	0.114	0.115	0.083	0.368
		TOTAL	0.440	0.553	0.685	0.644	0.619	0.620	0.558	0.843
Nicaragua	Cordoba	Banque Nationale	1.57	1.48	1.65	1.65	1.90	3.16	3.74	2.80
Paraguay	Peso	Billets d'Etat [4]	65.0	90.0	125.0	125.0	125.0	125.0	125.0	149.7

[1] Fin juillet. [2] Non compris les « billets-argent » émis par le Gouvernement et qui ont été en partie retirés et remplacés par les billets de la Banque Internationale. Les chiffres pour la Banque Internationale se rapportent à fin octobre de chaque année. Tous les chiffres, sauf ceux pour 1917, 1918 et 1919, représentent la circulation nette, les billets retenus par la « Banco Internacional » étant déduits. [3] A cause d'un tremblement de terre, le chiffre exact n'est pas connu, [4] Y compris la monnaie de nickel et en 1924 les billets de la Officina de Cambios.

Table III (*continued*).

TABLE SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924. (000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII	
19	19				10	10	10	10	10	Conversion Office Notes.
2030	2214				2250	2250	2250	2250	2238	Treasury Notes.
—	—	—	[1]40	180	389	377	414	710	727	Bank of Brazil.
2049	2233				2649	2637	2674	2970	2975	TOTAL.
325	302	378	319	362	293	284	301	304	336	State notes.
—	—	—	3.2		4.7	5.5	11.2	14.5	18.0	Bank of Republic.
—	—	—	10.4		10.4	10.4	10.4	10.4	10.4	State "Gold Notes".
—	—	—	9.8		8.9		7.5			Other paper curr.
—	—	—	23.4		24.0		29.1			TOTAL.
15.03	16.47	16.76	16.62	16.79	16.49		17.33	16.60	17.11	State Notes.
3.22	1.57			0.95	0.46		0.06	0.03		Silver Notes.
—	—	—	—	—	—	0.77	0.82	1.21		Conversion Office.
18.25	18.04			17.74	16.95		18.21	1784		TOTAL.
16.1	16.1	16.2	16.0	15.8	16.1	16.4	16.3	17.1	17.6	6 Banks.
333.4	377.6	398.4	401.3		401.3		422.3	425.7	423.1	6 Banks.
0.475	0.620		0.623				0.623		0.623	Bank of Honduras.
0.422	0.310				0.284				0.299	Bank Atlantida.
0.897	0.930								0.922	TOTAL.
1.86	2.23	2.68	2.64	2.55	2.70	3.48	3.83	3.47	3.58	National Bank.
181.8	176.8	176.8	176.8	176.8	176.8	235.7	257.7	247.7	219.4	State Notes [4].

[1] End of July. [2] Excluding the "silver notes" issued by the Government, which have been partly withdrawn and replaced by notes of the International Bank. The figures for the International Bank refer to end of October of each year. All the figures except those for 1917, 1918 and 1919 represent net circulation, notes held by the "Banco Internacional" having been deducted. [3] Owing to an earthquake, no exact figure available. [4] Including nickel coin and since 1924 notes issued by the Oficina de Cambios.

Tableau III (*fin*).

INDIQUANT LES BILLETS EN CIRCULATION A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions).

Pays Country	Etalon monétaire Unit of Currency	Catégories des billets	1913	1914	1915	1916	1917	1918	1919	1920
Pérou Peru	Libra	« Chèques circulaires » (billets de banque) [1] . .	—	0.8	1.2	1.3	1.7	2.9	3.7	4.9
		Certificats-or	—	—	—	—	0.3	0.4	0.3	0.3
Salvador	Colon [2]	3 Banques	4.5	6.1	7.9	9.6	11.2	14.2	14.6	8.2
Uruguay	Peso	Banque de la République:								
		« Emision Mayor » . .	16	20	26	30	36	48	66	56
		« Emision Menor » .	5	6	6	7	7	8	8	9
		TOTAL . . .	21	26	32	37	43	56	74	65
Venezuela	Bolivar	Banque de Venezuela .	5.7	6.1	6.6	8.9	10.2	14.3	18.1	17.9
		3 autres banques . . .	4.9	5.2	5.5	4.9	6.7	7.0	7.1	8.8
		TOTAL . . .	10.6	11.3	12.1	13.8	16.9	21.3	25.2	26.7

[1] Jusqu'à décembre 1922: chèques circulaires émis moins chèques en possession des banques. Depuis décembre 1922: Circulation de la Banque de Réserve.

[2] Jusqu'à la fin de 1918, peso.

Table III (*concluded*).

SHOWING NOTES IN CIRCULATION AT THE END OF EACH YEAR 1913 TO 1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1921	1922	1923				1924				Description of issues
		31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII	
4.2	5.4	5.7	5.8	5.7	5.7	5.7	5.7	5.5	5.8	"Circular checks' (banknotes)[1].
0.1	0.1	—	—	—	—	—	—	—	—	Gold Certificates.
7.0	9.4		9.5		10.2		12.0		14.5	3 Banks.
										Bank of the Republic:
57	55	56	55	54	59	60	56		59	"Emision Mayor".
9	9	10	9	9	10	10	10		10	"Emision Menor".
66	64	66	64	63	69	70	66		69	TOTAL.
25.7	26.0		24.9		25.3		28.3			Bank of Venezuela.
9.1	9.2		9.8		9.8		9.8			3 other banks.
34.8	35.2		34.7		35.1		38.1			TOTAL.

[1] Up to December 1922: circular cheques issued less cheques held by banks. From December 1922: circulation of the Reserve Bank.
[2] Up to the end of 1918: peso.

TABLEAU IV

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
EUROPE									
Allemagne Germany	Mark	Reichsbank: Dans le pays	1170	2093	2445	2520	2407	2262	1089
		A l'étranger.	—	—	—	—	—	—	—
		TOTAL . . .	1170	2093	2445	2520	2407	2262	1089
		Banques privées d'émission[1] .	74	67	70	68	67	66	66
		TOTAL GÉNÉRAL . .	1244	2160	2515	2588	2474	2328	1155
Autriche-Hongrie Austria-Hungary	Krone	Banque d'Autriche-Hongrie .	1241	1055	685	290	265	262	(223)
Autriche Austria	Krone	Banque Nationale d'Autriche[2]	—	—	—	—	—	—	—
Belgique Belgium	Franc	Banque Nationale de Belgique:							
		Dans le pays	249	—	—	—	—	265	266
		A l'étranger	—	264	263	263	263	—	—
Bulgarie Bulgaria	Lev	Banque Nationale	55	55	61	68	63	64	37
Danemark Denmark	Krone	Banque Nationale	73	91	111	160	174	195	227
Espagne Spain	Peseta	Banque d'Espagne:							
		Or de la Banque	472	568	867	1251	1965	2223	2416
		Or en compte courant . .	1	1	2	3	7	3	3
		Or du Trésor	7	5	—	—	1	2	27
		TOTAL . . .	480	574	869	1254	1973	2228	2446
Finlande Finland	Markka	Banque de Finlande.	36	43	43	43	43	43	43
France	Franc	Banque de France:							
		Dans le pays	3517	4158	5080	3490	3313	3441	3600
		A l'étranger	—	—	—	1593	2037	2037	1978
		TOTAL . .	3517	4158	5080	5083	5350	5478	5578

[1] Y compris, jusqu'à la fin de 1920, une faible partie de monnaie divisionnaire.
[2] Jusqu'au 2 janvier 1923: Banque d'Autriche-Hongrie, Section autrichienne.

TABLE IV

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1920	1921	1922	1923				1924				Held by
			31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII	
EUROPE											
1092	995	955	840	577	433	446	444	432	441	553	Reichsbank: At home.
—	—	50	165	140	11	21	21	30	137	207	Abroad.
1092	995	1005	1005	717	444	467	465	462	578	760	TOTAL.
60	58	57	57	57	57	57	57	57	57	59	Private Banks of Issue[1]
1152	1053	1062	1062	774	501	524	522	519	635	819	Grand TOTAL.
—	—	—	—	—	—	—	—	—	—	—	Austro-Hungarian Bank
0.053	0.081	0.046	6.7	5.7	5.7	6.5	7.4	7.5	7.6	7.7	Austrian Nat. Bank[2].
267	267	269	269	269	270	270	270	270	270	272	Nat. Bank of Belgium:
—	—	—	—	—	—	—	—	—	—	—	At home.
											Abroad.
37	38	38	39	39	39	40	40	40	40	40	National Bank.
228	228	228	228	228	210	210	210	210	210	210	National Bank.
2448	2448	2448	2448	2448	2448	2448	2448	2448	2448	2448	Bank of Spain:
2	2	2	1	1	1	1	1	1	1	1	Gold of the Bank.
6	63	75	76	77	77	78	79	85	86	86	Gold on current acct.
											Gold of the Treasury.
2456	2513	2525	2525	2526	2526	2527	2528	2534	2535	2535	TOTAL.
43	43	43	43	43	43	43	43	43	43	43	Bank of Finland.
3552	3576	3671	3672	3674	3674	3676	3678	3679	3680	3681	Bank of France:
1948	1948	1864	1864	1864	1864	1864	1864	1864	1864	1864	At home.
											Abroad.
5500	5524	5535	5536	5538	5538	5540	5542	5543	5544	5545	TOTAL.

[1] Including, up to the end of 1920, a small fraction of subsidiary coin.
[2] Up to January 2nd, 1923: Austro-Hungarian Bank, Austrian Section.

Tableau IV (*suite*)

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922
ET DES TRIMESTRES DE 1923 ET 1924.
(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
Grèce Greece	Drachma	Banque Nationale de Grèce:							
		Dans le pays	25	37	57	59	62	53	56
		A l'étranger	—	—	—	—	—	—	—
		TOTAL . .	25	37	57	59	62	53	56
Hongrie Hungary	Korona	Banque Nationale d'Hongrie [1]	—	—	—	—	—	—	—
Italie Italy	Lira	Dans le pays:							
		Trois Banques d'Emission	1376	1397	1364	1158	1071	1049	1037
		Trésor	117	156	11	9	8	5	4
		TOTAL . .	1493	1553	1375	1167	1079	1054	1041
		A l'étranger:							
		Trois Banques d'Emission	—	—	48	303	404	429	439
		Trésor	—	—	144	159	159	159	159
		TOTAL . .	—	—	192	462	563	588	598
Lettonie Latvia	Lat	Banque de Lettonie:							
		Or de la Banque:							
		dans le pays	—	—	—	—	—	—	—
		à l'étranger	—	—	—	—	—	—	—
		TOTAL . .	—	—	—	—	—	—	—
		Or du Gouvernement:							
		dans le pays	—	—	—	—	—	—	—
		à l'étranger	—	—	—	—	—	—	—
		TOTAL . .	—	—	—	—	—	—	—
		TOTAL général . .	—	—	—	—	—	—	—
Lithuanie Lithuania	Litas	Banque de Lithuanie	—	—	—	—	—	—	—
Luxembourg	Franc	Banque Internationale	1.1	0.9	0.9	0.9	0.9	0.9	0.9
Norvège Norway	Krone	Banque de Norvège	44	38	52	123	116	122	148
Pays-Bas Netherlands	Gulden	Banque des Pays-Bas	151	217	429	588	698	689	637

[1] Jusqu'au 24 juin 1924: Banque d'Autriche-Hongrie, Section Hongroise.

Table IV (*continued*).

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1920	1921	1922	1923				1924				Held by
			31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII	
56	56	31	32	34	35	38	38	39	39	39	Nat. Bank of Greece: At home.
—	—	25	25	25	25	25	25	25	25	25	Abroad.
56	56	56	57	59	60	63	63	64	64	64	TOTAL.
—	12	16	23	23	22	23	24	15	32	34	National Bank [1].
											At home:
1059	1092	1126	1129	1130	1134	1118	1126	1128	1131	1131	Three Banks of Issue.
2	11	11	11	11	13	13	13	13	13	14	Treasury.
1061	1103	1137	1140	1141	1147	1131	1139	1141	1144	1145	TOTAL.
											Abroad:
419	419	419	419	419	419	419	419	419	419	419	Three Banks of Issue.
159	159	159	159	159	159	159	159	159	159	159	Treasury.
578	578	578	578	578	578	578	578	578	578	578	TOTAL.
											Bank of Latvia:
											Gold of the Bank:
—	—	0.1	—	0.3	0.3	0.5	0.1	0.4	0.9	0.9	At home.
—	—	—	0.7	2.5	2.5	2.5	4.8	5.8	7.9	7.9	Abroad.
—	—	0.1	0.7	2.8	2.8	3.0	4.9	6.2	8.8	8.8	TOTAL.
											Gold of the Government.
—	11	13.2	13.2	11.9	11.9	11.9	4.1	4.1	4.1	4.1	At home.
—	—	—	—	1.8	1.8	1.8	10.7	10.7	10.7	10.7	Abroad.
—	11	13.2	13.2	13.7	13.7	13.7	14.8	14.8	14.8	14.8	TOTAL.
—	11	13.2	13.9	16.5	16.5	16.7	19.7	21.0	23.6	23.6	Grand TOTAL.
—	—	15.2	15.8	16.3	16.4	16.4	24.1	24.5	25.4	30.8	Bank of Lithuania.
—	—	—	—	—	—	—	—	—	—	—	International Bank.
147	147	147	147	147	147	147	147	147	147	147	Bank of Norway.
636	606	582	582	582	582	582	569	532	529	505	Netherlands Bank.

[1] Up to June 24th, 1924: Austro-Hungarian Bank, Hungarian Section.

Tableau IV (*suite*)

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
Pologne [1] **Poland** [1]	Marka p.	Caisse nationale de Prêts . .	—	—	—	—	—	—	7
		Banque de Pologne	—	—	—	—	—	—	—
Portugal	Escudo	Banque de Portugal	7.5	8.0	8.5	8.6	8.6	8.6	8.6
Roumanie Roumania	Leu	Banque Nationale:							
		Dans le pays	152	154	188	—	—	—	1.3
		En Russie.	—	—		315	315	315	315
		En Allemagne	—	—	33	80	80	80	80
		En Angleterre	—	—		98	98	98	98
		TOTAL . .	152	154	221	493	493	493	494
Royaume-Uni United Kingdom	£	Trésor	—	18.5	28.5	28.5	28.5	28.5	28.5
		Banque d'Angleterre	35.0	69.5	51.5	55.0	59.2	80.0	91.3
		TOTAL . .	35.0	88.0	80.0	83.5	87.7	108.5	119.8
Russie Russia	Roubl-or	Service d'émission de la Banque d'Etat	—	—	—	—	—	—	—
Roy. des Serbes, Croates et Slov. King. of the Serbs, Croats & Slov.	Dinar	Banque Nationale:							
		Dans le pays	58	57	—	—	—	—	63
		A l'étranger	—	—	64	64	64	64	—
Suède Sweden	Krona	Banque de Suède	102	109	125	184	244	286	281
Suisse Switzerland	Franc	Banque Nationale Suisse:							
		Dans le pays	170	225	240	345	358	415	453
		A l'étranger	—	13	10	—	—	—	64
		TOTAL . .	170	238	250	345	358	415	517
Tchéco-slovaquie Czecho-slovakia	Franc (Koruna)	Office bancaire du Ministère des Finances	—	—	—	—	—	—	—

[1] Valeur en zloty pour décembre 1923 et mars 1924, 66 et 84 millions respectivement. Le chiffre pour juin 1924 comprend 9 millions de zloty, réserve d'or non vendue par le Trésor à la banque.

Table IV (*continued*).

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1920	1921	1922	1923				1924				Held by
			31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII	
12	25	41	42	44	53	55	68	—	—	—	National Loan Bureau.
—	—	—	—	—	—	—	—	92	100	103	Bank of Poland.
8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	Bank of Portugal.
											National Bank:
1.7	1.7	39	105	117	119	127	133	133	135	135	At home.
315	315	315	315	315	315	315	315	315	315	315	In Russia.
80	80	80	15	15	15	15	15	15	15	15	In Germany.
98	98	98	98	98	98	98	98	98	98	98	In England.
495	495	532	533	545	547	555	561	561	563	563	TOTAL.
28.5	28.5	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	Treasury.
128.3	128.4	127.5	127.5	127.6	127.7	128.0	128.1	128.3	128.4	128.6	Bank of England.
156.8	156.9	154.5	154.5	154.6	154.7	155.0	155.1	155.3	155.4	155.6	TOTAL.
—	—	5	27	50	85	88	88	93	131	142	Issue Department of the State-Bank.
											National Bank:
64	74	64	63	63	69	69	72	72	72	72	At home.
—	—	—	—	—	—	—	—	—	—	—	Abroad.
282	275	274	274	273	273	272	271	247	247	237	Bank of Sweden.
											Swiss National Bank:
478	550	526	533	524	527	537	536	513	505	499	At home.
65	—	9	—	—	—	—	—	—	—	7	Abroad.
543	550	535	533	524	527	537	536	513	505	506	TOTAL.
21	65	106	106	138	146	140	139	139	139	140	Banking Office of the
(20)	(62)	(101)	(101)	(131)	(139)	(133)	(132)	(132)	(132)	(133)	Ministry of Finance.

[1] Value in zloty for December 1923 and March 1924, 66 and 84 millions respectively. Figure for June 1924 includes 9 million Zloty of Treasury gold not yet sold to the bank.

Tableau IV (*suite*)

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
ASIE									
Indes anglaises British India	Rupee[1]	«Paper Currency Reserve»:							
		Dans le pays	250	152	128	122	267	197	296
		A Londres et en transit . .	132	95	82	119	10	1	101
		TOTAL . .	382	247	210	241	277	198	397
Indes néerlandaises Dutch East Indies	Gulden	Banque de Java	26	39	43	74	88	109	173
Japon Japan	Yen	A. Réserve d'or contre les billets émis:							
		Banque du Japon[2]	224	218	248	411	650	713	952
		Gouvernement	—	—	—	—	20	91	145
		TOTAL A .	224	218	248	411	670	804	1097
		B. Avoir total en or:							
		Banque du Japon	285	292	363	452	719	733	994
		Gouvernement	91	49	153	262	386	855	1051
		TOTAL B .	376	341	516	714	1105	1588	2045
		a) Dans le pays	130	128	137	227	461	453	702
		b) A l'étranger	246	213	379	487	644	1134	1343
AUSTRALASIE									
Australie Australia	£	Trésor	4.5	8.0	15.1	16.1	17.6	21.4	24.0
		«Commonwealth Bank»:							
		Département d'Emission .	—	—	—	—	—	—	—
		Banques commerciales[4] . . .	33.7	35.1	28.9	25.9	22.9	22.0	21.9
		TOTAL . .	38.2	43.1	44.0	42.0	40.5	43.4	45.9
Nouvelle Zélande[5] New Zealand[5]	£	Banques d'Emission	5.3	6.2	7.0	7.7	8.1	8.1	7.9

[1] Jusqu'à 1919, l'or et les titres en Angleterre ont été évalués au taux de 15 rupees pour une livre sterling, tandis que depuis 1920, le taux employé a été de 10 rupees pour une livre sterling.

[2] Jusqu'à juillet 1922 en partie à l'étranger.

[3] Pas de chiffres.

[4] Or et argent. Y compris le «Banking Department» de la «Commonwealth Bank». Chiffres annuels: moyennes du dernier trimestre. Chiffres trimestriels: moyennes du trimestre.

[5] Or et argent. Chiffres annuels: moyennes du dernier trimestre. Chiffres trimestriels: moyennes du trimestre.

Table IV (*continued*).

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1920	1921	1922	1923 31-III	1923 30-VI	1923 30-IX	1923 31-XII	1924 31-III	1924 30-VI	1924 30-IX	1924 31-XII	Held by
ASIA											
239	243	243	243	243	243	223	223	223	223	223	Paper Currency Reserve:
—	—	—	—	—	—	—	—	—	—	—	At home.
—	—	—	—	—	—	—	—	—	—	—	In London & in trans.
239	243	243	243	243	243	223	223	223	223	223	TOTAL.
221	146	153	161	149	161	156	159	141	150	134	Java Bank.
											A. Gold reserves against notes issued:
1247	1246	1064	1058	1053	1060	1057	1060	1061	1065	1059	Bank of Japan.[2]
200	217	159	131	103	90	68	56	44	31	26	Government.
1447	1463	1223	1189	1156	1150	1125	1116	1105	1096	1085	TOTAL A.
											B. Total gold specie holdings:
1291	1289	1163	1157	1154	1157	1127	1075	[3]	[3]	1070	Bank of Japan.
887	791	667	646	639	612	526	534			460	Government.
2178	2080	1830	1803	1793	1769	1653	1604			1530	TOTAL B.
1116	1225	1215	1208	1207	1210	1208	1201			1201	(*a*) at home.
1062	855	615	595	589	559	445	403			329	(*b*) abroad.
AUSTRALASIA											
—	—	—	—	—	—	—	—	—	—	—	Treasury.
											Commonwealth Bank:
23.7	23.3	23.9	24.7	24.4	24.8	24.9	24.6	24.4	24.4	24.9	Depart. of Issue.
21.5	22.1	22.3	22.0	21.9	22.0	22.1	22.2	22.1	22.2	22.2	Joint-Stock Banks [4].
45.2	45.4	46.2	46.7	46.3	46.8	47.0	46.8	46.5	46.6	47.1	TOTAL.
7.7	7.7	7.9	7.9	7.9	7.9	7.9	7.9	7.8	7.8	7.7	Banks of Issue.

[1] Up to 1919, gold and securities in England were valued at the rate of 15 rupees per pound sterling, whilst, from 1920 onwards, the rate was 10 rupees per pound sterling.

[2] Partly held abroad up to July 1922.

[3] Information not available.

[4] Gold and silver. Including the Banking Department of the Commonwealth Bank. Yearly figures: averages of last quarter: Quarterly figures: averages of quarters.

[5] Gold and silver. Yearly figures: averages of last quarter. Quarterly figures: averages of quarters.

Tableau IV (*suite*).

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
AFRIQUE									
Afrique du Sud South Africa	£	Banques:							
		Or dans le pays [1]	7.1	6.3	6.6	5.6	6.2	6.9	7.3
		Or et monnaie divisionnaire à l'étranger	1.1	2.7	2.6	1.4	2.8	2.5	1.4
		Réserve totale .	8.2	9.0	9.2	7.0	9.0	9.4	8.7
Egypte Egypt	£ E	Banque Nationale d'Egypte:							
		Dans le pays	2.1	3.7	4.0	2.8	0.7	0.1	0.2
		A l'étranger	—	0.7	3.2	3.2	3.2	3.2	3.2
		TOTAL . .	2.1	4.4	7.2	6.0	3.9	3.3	3.4
AMÉRIQUE DU NORD									
Canada	$	Réserve d'Etat:							
		Contre l'Epargne.	6	5	5	5	5	5	4
		Contre Billets d'Etat . .	109	89	115	114	115	116	115
		TOTAL . .	115	94	120	119	120	121	119
		Chartered Banks:							
		Encaisse: Dans le pays . .	26	39	43	44	55	61	63
		A l'étranger . .	19	24	25	27	27	18	18
		Dépôts dans la Réserve centrale	1	5	6	12	20	9	11
		TOTAL . .	46	68	74	83	102	88	92
		TOTAL général . .	161	162	194	202	222	209	211
Etats-Unis United States	$	Trésor:							
		Or pour le compte du Gouvernement	262	263	216	202 [2]	212	327	382
		Or contre certificats . . .	1028	921	1475	1741 [2]	1343	886	665
		« Federal Reserve System » . .	—	—		328 [2]	915	1451	1350
		En circulation (en dehors du Trésor et du Fed. Res. Syst.)	634	632	621	641 [2]	570	417	391
		TOTAL . .	1924	1816	2312	2912 [2]	3040	3081	2788

[1] Y compris, jusqu'en 1921, une faible partie de monnaie divisionnaire.
[2] 1er février 1917.

Table IV (*continued*).

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1920	1921	1922	1923 31-III	1923 30-VI	1923 30-IX	1923 31-XII	1924 31-III	1924 30-VI	1924 30-IX	1924 31-XII	Held by
AFRICA											
10.4	10.6	11.1	11.1	11.1	11.2	11.3	11.3	11.3	11.3	11.3	Banks: Gold at home [1].
1.8	1.9	1.4	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.2	Gold and subsidiary coin: abroad.
12.2	12.5	12.5	12.4	12.3	12.4	12.5	12.4	12.4	12.4	12.3	TOTAL Reserve.
0.2	0.2	0.2	0.2	0.4	1.4	2.1	3.4	3.4	3.4	3.4	National Bank of Egypt At home.
3.2	3.2	3.2	3.2	3.0	2.0	1.3	—	—	—	—	Abroad.
3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	TOTAL.
NORTH AMERICA											
4	3	3	3	3	3	3	3	3	3	3	Government Reserve: Savings Banks Acc.
97	81	129	126	121	114	114	99	97	98	139	Against Dominion N.
101	84	132	129	124	117	117	102	100	101	142	TOTAL.
											Chartered Banks:
63	60	79	58	58	49	44	44	44	45	44	Cash: At home.
20	19	15	12	13	12	13	14	15	15	13	Abroad.
12	11	14	10	10	10	10	10	10	10	10	Deposit in the Central Reserve.
95	90	108	80	81	71	67	68	69	70	67	TOTAL.
196	174	240	209	205	188	184	170	169	171	209	Grand TOTAL.
											Treasury:
433	380	341	367	341	334	357	334	306	324	338	Gold held as asset of the Government.
533	710	708	682	737	845	977	1083	1219	1325	1509	Gold against Certs.
1462	2110	2455	2510	2567	2558	2498	2543	2570	2471	2242	Federal Reserve System
501	457	429	410	404	398	415	408	396	428	458	In Circulation (outside Treasury and Fed. Res. System).
2929	3657	3933	3969	4049	4135	4247	4368	4491	4548	4547	TOTAL.

[1] Up to 1921 including a small amount of subsidiary coin.
[2] February 1st, 1917.

Tableau IV (*suite*).

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
AMÉRIQUE CENTRALE ET DU SUD									
Argentine	Peso oro	Caisse de Conversion [1]:							
		Dans le pays	233	222	237	260	262	279	310
		Dans les Légations . . .	—	3	68	57	55	100	79
		Total . . .	233	225	305	317	317	379	389
		Banque de la Nation	32	29	10	15	37	36	39
		Autres Banques	30	21	17	18	20	18	27
		TOTAL . .	295	275	332	350	374	433	455
Bolivie Bolivia	Boli-viano	Banque de la Nation:							
		Dans le pays	3.5	6.6	6.7	7.0	7.1	7.9	15.6
		A l'étranger	3.1	—	—	—	—	10.3	—
		Total . . .	6.6	6.6	6.7	7.0	7.1	18.2	15.6
		Banques privées	12.1	5.3	5.1	5.1	5.1	6.1	6.0
		TOTAL . .	18.7	11.9	11.8	12.1	12.2	24.3	21.6
Brésil Brazil	Milreis	Caisse d'Amortissement (Conversion)	164	82	45	45	45	48	48
		Banque du Brésil	—	—	—	—	—	—	—
Chili Chile	Peso oro	Caisse de Conversion:							
		Dans le pays	—	4	4	4	25	64	67
		A l'étranger	105	104	107	84	69	47	47
		Total . . .	105	108	111	88	94	111	114
		Banques	9	8	6	7	9	13	16
		TOTAL . .	114	116	117	95	103	124	130
Colombie Colombia	$	Banque de la République:							
		Dans le pays	—	—	—	—	—	—	—
		A l'étranger	—	—	—	—	—	—	—
		TOTAL . .	—	—	—	—	—	—	—

[1] Non compris la partie du Fonds de conversion détenue par la *Banco de la Nación*.
[2] Fin d'avril.

Table IV (*continued*).

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted.)

1920	1921	1922	1923				1924				Held by
			31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–XI	31–XII	
CENTRAL AND SOUTH AMERICA											
467	467	467	467	467	468	471	471	467	456	452	Conversion Office[1]:
4	4	4	4	4	3	—	—	—	—	—	At home.
											With Legations.
471	471	471	471	471	471	471	471	467	456	452	Total.
25	23	23	23	23	21	19	18	8	8	8	Bank of the Nation.
21	13	11	11	11	11	10	10	10	10	10	Other Banks.
517	507	505	505	505	503	500	499	485	474	470	TOTAL.
15.6	15.6	15.1		15.1		15.1		15.1		15.1	Bank of the Nation:
—	—	—		—		—		—		—	At home.
											Abroad.
15.6	15.6	15.1		15.1		15.1		15.1		15.1	Total.
6.0	6.0	6.0		6.0		6.0		6.0		6.0	Private Banks.
21.6	21.6	21.1		21.1		21.1		21.1		21.1	TOTAL.
60	78	84	86	—	—	—	—	—	—	—	Amortisation (Conversion) Office
—	—	—	—	89	89	89	89	89	108.5	113.0	Bank of Brazil.
90	93	93	93	93	93	93	96[2]	96	96	96	Conversion Office:
24	22	21	21	21	21	21	33[2]	28	37	34	At home.
											Abroad.
114	115	114	114	114	114	114	129[2]	124	133	130	Total.
16	16	17	17	15	11	12		20			Banks.
130	131	131	131	129	125	126		144			TOTAL.
—	—	—	—	—	—	1.93	2.04	5.68	6.44	7.05	Bank of the Republic:
—	—	—	—	—	—	3.08	3.08	—	0.51	2.53	At home.
											Abroad.
—	—	—	—	—	—	5.01	5.12	5.68	6.95	9.58	TOTAL.

[1] Excluding the part of the Conversion Fund held by the *Banco de la Nacion*.
[2] End of April.

Tableau IV (*fin*).

INDIQUANT LES RÉSERVES D'OR A LA FIN DES ANNÉES 1913-1922 ET DES TRIMESTRES DE 1923 ET 1924.

(En millions.)

Pays Country	Etalon monétaire Unit of currency	Entre les mains de	1913	1914	1915	1916	1917	1918	1919
Costa-Rica[1]	Colon	Banque Internationale . . .	—		0.35	0.75	0.39	0.45	0.71
		Banques privées d'émission .	2.29	2.65	2.57	2.87	2.46	2.54	2.45
		Or contre certificats argent. .	0.26	0.24	0.24	0.15	0.09	0.09	—
		TOTAL . .	2.55		3.16	3.77	2.94	3.08	3.16
Equateur Ecuador	Sucre	6 Banques d'émission . . .	5.8	6.6	7.1	7.6	7.6	7.6	7.6
Guatemala	Peso	6 Banques d'émission[2] . . .	0.038	0.062	0.068	0.242	[3]	0.338	0.553
Pérou Peru	Libra	Banque de Réserve[4]:							
		Réserve contre billets . .	—	0.4	0.5	1.1	1.6	2.2	2.9
		» » certificats .	—	—	—	—	0.3	0.5	0.4
		» » comptes cour.	—	—	—	—	—	—	—
		Total . . .	—	0.4	0.5	1.1	1.9	2.7	3.3
		Banques privées	—	0.1	0.2	0.7	1.9	0.5	0.6
		TOTAL . .	—	0.5	0.7	1.8	3.8	3.2	3.9
Salvador	Colon	3 Banques d'émission[5] . . .				0.6		1.5	9.8
Uruguay	Peso	Banque de la République:							
		Dans le pays:							
		or de la Banque . . .	10.5	11.4	20.5	29.7	39.5	43.7	54.3
		autre	—	1.6	1.3	2.5	1.1	1.5	0.6
		A l'étranger	—	—	0.7	2.5	—	—	—
		TOTAL . .	10.5	13.0	22.5	34.7	40.6	45.2	54.9
		Banques privées		3.3	5.6	9.3	5.5	4.2	6.8
		TOTAL général . .		16.3	28.1	44.0	46.1	49.4	61.7
Venezuela	Bolivar	Banque de Venezuela	8.6	8.6	8.7	14.2	29.6	32.5	42.4
		Autres banques d'émission[6] .	2.9	5.2	4.2	3.7	5.1	2.9	4.4
		TOTAL . .	11.5	13.8	12.9	17.9	34.7	35.4	46.8

[1] Les chiffres pour la Banque Internationale se rapportent à fin octobre de chaque année, ceux des autres banques à la fin de l'année.

[2] Cet or ne constitue pas une réserve contre les billets émis. Pour le fonds de réserve voir remarques Vol. II.

[3] A cause d'un tremblement de terre, le chiffre exact n'est pas connu,

[4] Jusqu'au 31 mars 1922: Fonds de réserve de la *Junta de Vigilancia* contre chèques circulaires, certificats et nickel. Les avoirs à l'étranger n'y sont pas compris. Les chiffres pour le troisième trimestre de 1923 se réfèrent à la fin d'octobre.

[5] La réserve légale d'or a été constituée seulement en 1919.

[6] Jusqu'à la fin de 1917, y compris l'argent de la Banque de Caracas qui s'élevait à 2,8 millions à la fin de 1918.

Table IV (*concluded*).

SHOWING HOLDINGS OF GOLD COIN AND BULLION AT THE END OF EACH YEAR 1913-1922 AND AT THE END OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted).

1920	1921	1922	1923 31-III	1923 30-VI	1923 30-IX	1923 31-XII	1924 31-III	1924 30-VI	1924 30-IX	1924 31-XII	Held by
1.02	1.08	1.29	1.29	1.30	1.33	1.34	1.34	1.35	1.36	1.47	International Bank.
1.53	0.57	0.20		0.15	0.15	0.15	0.15	0.15	0.14	0.14	Private Banks of Issue.
—	—	—	—	—	—	—	—	—	—	—	Gold against silver cert.
2.55	1.65	1.49		1.45	1.48	1.49	1.49	1.50	1.50	1.61	TOTAL.
9.0	9.5	9.5	9.6	9.6	9.6	9.6	9.7	9.7	9.7	9.7	6 Banks of Issue.
0.323	0.299	0.227	0.120	0.086				0.282		0.202	6 Banks of Issue[2].
											Reserve Bank[4]:
3.9	4.1	4.0	4.2	4.2	4.2	4.3	4.2	4.2	4.2	4.0	Res. against Notes.
0.4	0.2	0.06	0.04	0.04	0.03	0.03	0.03	0.03	—	—	» » Certs.
—	—	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.4	» » Curr. Acc.
4.3	4.3	4.3	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	Total.
0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	Private Banks.
4.7	4.5	4.5	4.4	4.5	4.6	4.6	4.6	4.6	4.6	4.6	TOTAL.
4.7	4.1	5.6		5.2		6.1		6.4		8.4	3 Banks of Issue[5].
											Bank of the Republic:
											At home:
55.1	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	Gold of the Bank.
0.3	—	—	—	—	—	—	—	—	—	—	Other gold.
—	—	—	—	—	—	—	—	—	—	—	Abroad.
55.4	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	Total.
4.8	1.7	1.3	1.3	1.3	1.1	0.6	0.2	0.1		0.2	Private Banks.
60.2	56.6	56.2	56.2	56.2	56.0	55.5	55.1	55.0		55.1	Grand TOTAL.
60.8	51.8	51.2		52.2		51.6		61.2			Bank of Venezuela.
3.4	3.4	3.5		4.0		4.1		3.6			Other Banks of Issue[6].
64.2	55.2	54.7		56.2		55.7		64.8			TOTAL.

[1] The figures for the International Bank refer to the end of October of each year, those for the other banks to the end of each year.

[2] This gold is not considered as reserve against the notes issued. For the reserve fund see Notes, Vol. II.

[3] Owing to an earthquake, no exact figure available.

[4] Up to March 31st, 1922: Guarantee Fund of the *Junta de Vigilancia* against the issue of circular checks, certificates and nickel. Excluding assets abroad. The figures for the third quarter of 1923 refer to the end of October.

[5] The legal gold reserve was not formed until 1919.

[6] Up to the end of 1917, including silver of the Bank of Caracas, which amounted at the end of 1918 to 2.8 millions.

TABLEAU V.

INDIQUANT LES AVOIRS ÉTRANGERS DES BANQUES CENTRALES A LA FIN DES ANNÉES 1913 ET 1918-1922 ET DES TRIMESTRES 1923 ET 1924.

(En millions)

Pays	Etalon monétaire Unit of currency	Classification des avoirs à l'étranger	1913	1918	1919	1920	1921	1922
		EUROPE						
Allemagne	Goldmark	Disponibilités à l'étranger* . . .	68					
		Effets sur l'étranger*	140					
		TOTAL . . .	208					
Autriche	Krone	Disponibilités et devises étrangères*	—	—	—	704	5774	156687
Belgique [1]	Franc	Disponibilités et devises étrangères	167	113	116	84	52	51
Bulgarie	Lev	Disponibilités nettes à l'étranger [2]	12	96	1	399	145	237
		Effets sur l'étranger	2	82	362	266	66	—
		Billets de banque étrangers . . .	—	20	24	15	2	1
		TOTAL . . .	14	198	387	680	213	238
Danemark [3]	Krone	Disponibilités à l'étranger	7.9	70.8	61.9	46.6	22.9	15.7
		Effets sur l'étranger	7.5	7.5	0.7	1.8	3.0	1.7
		Fonds d'Etat étrangers	8.1	4.2	4.1	4.0	3.8	0.2
		TOTAL . . .	23.5	82.5	66.7	52.4	29.7	17.6
Dantzig	Gulden	Disponibilités et devises étrangères	—	—	—	—	—	—
Espagne	Peseta	Disponibilités et devises étrangères	194	87	60	83	42	37
Esthonie	Eesti mark	Réserves nettes en or et devises étrangères : [4]						
		Trésor	—	—	—	—	2445	1352
		Banque	—	—	—	—	285	825
		TOTAL . . .	—	—	—	—	2730	2177

* Voir remarques Vol. II.

[1] Valeur-papier selon le cours du dollar (voir remarques Vol. II).

[2] Non compris les crédits non disponibles du Gouvernement allemand (voir remarques Vol. II).

[3] Les chiffres annuels, représentant des disponibilités nettes, se rapportent à fin juillet de l'année suivante (voir remarques Vol. II). Les chiffres trimestriels pour 1923 et 1924 représentent des disponibilités brutes.

[4] Pour plus de détails voir remarques Vol. II.

TABLE V.

SHOWING FOREIGN ASSETS HELD BY CENTRAL BANKS AT THE END OF THE YEARS 1913 AND 1918-1922 AND OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted)

1923				1924				Classification of foreign assets	Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII		
EUROPE									
			274				1136	Balances and credits abroad.*	**Germany**
							170	Foreign bills. *	
							1306	TOTAL.	
1336385	2532316	3126599	4345430	3953872	3178339	3724916	3663185	Foreign balances, bills and banknotes.*	**Austria**
60	62	71	77	89	75	67	117	Foreign balances and bills.[1]	**Belgium**
			920	690	450	580	804	Net balances and credits abroad.[2]	**Bulgaria**
			74	80	112	154	47	Foreign bills.	
			1	1	1	2	5	Foreign banknotes.	
			995	771	563	736	856	TOTAL.	
2.8	15.9	20.4	15.9	29.3	8.9	40.9	48.6	Balances and credits abroad.	**Denmark** [3]
2.1	0.1	0.8	0.6	0.2	0.1	0.4	0.3	Foreign bills.	
3.8	0.2	0.2	0.2	0.2	0.2	0.2	0.2	Foreign Govt. securities.	
8.7	16.2	21.4	16.7	29.7	9.2	41.5	49.1	TOTAL.	
—	—	—	—	19.3	23.8	29.6	27.8	Foreign balances, bills and banknotes.	**Danzig**
37	49	27	30	30	35	31	34	Foreign balances and bills.	**Spain**
								Net reserves in gold and foreign currencies: [4]	**Esthonia**
1359	1249	1160	896	966	868	504	506	Treasury.	
947	515	70	731	722	329	514	1254	Bank.	
2306	1764	1230	1527	1688	1197	1018	1760	TOTAL.	

* See notes Vol. II.

[1] Paper value according to dollar rate (see notes Vol. II).

[2] Excluding credits of the German Government not at the disposal of the Bank (see notes Vol. II).

[3] Annual figures, representing net balances, refer to end of July of following year (see notes Vol. II). Quarterly figures for 1923 and 1924 represent gross balances.

[4] For details, see notes Vol. II.

Tableau V (*suite*).

INDIQUANT LES AVOIRS ÉTRANGERS DES BANQUES CENTRALES A LA FIN DES ANNÉES 1913 ET 1918-1922 ET DES TRIMESTRES 1923 ET 1924.

(En millions)

Pays	Etalon monétaire Unit of currency	Classification des avoirs à l'étranger	1913	1918	1919	1920	1921	1922
Finlande	Markka	Disponibilités à l'étranger . . .	69	304	53	172	216	708
		Effets sur l'étranger	16	1	82	52	8	75
		Fonds d'Etat étrangers [1]	21	10	10	10	8	7
		TOTAL . . .	106	315	145	234	232	790
France [2]	Franc	Disponibilités à l'étranger. . . .	—	2456	2947	1958	1510	1535
		Effets sur l'étranger	—	—	—	17	13	17
		TOTAL . . .	—	2456	2947	1975	1523	1552
Grèce	Drachma	Disponibilités et devises étrangères	227	1549	1372	257	191	173
Hongrie	Korona	Disponibilités et devises étrangères	—	—	—	—	—	—
Italie	Lira	Disponibilités à l'étranger. . . .	56	407	387	416	337	353
		Effets sur l'étranger	22	1	1	1	3	1
		Billets de banque étrangers . . .	—	42	20	13	8	2
		Fonds d'Etat étrangers	119	377	77	79	63	54
		TOTAL . . .	197	827	485	509	411	410
Lettonie	Lat	Banque de Lettonie:						
		Disponibil. à l'étranger . . .	—	—	—	—	—	31.3
		Effets sur l'étranger	—	—	—	—	—	1.0
		Billets de banque étrangers . .	—	—	—	—	—	0.3
		Total .	—	—	—	—	—	32.6
		Trésor:						
		Dépôts à l'étranger .	—	—	—	—		16.2
		TOTAL . . .	—	—	—	—	—	48.8
Lithuanie	Litas	Disponibilités et devises à l'étranger	—	—	—	—	—	14.9
		Billets de banque étrangers . . .	—	—	—	—	—	3.0
		TOTAL . . .	—	—	—	—	—	17.9

[1] Non compris les fonds d'Etat russes et des fonds d'Etat bloqués de l'Europe centrale (voir remarques Vol. II).
[2] Valeur-papier selon le cours du dollar (voir remarques Vol. II).

Table V (*continued*).

SHOWING FOREIGN ASSETS HELD BY CENTRAL BANKS AT THE END OF THE YEARS 1913 AND 1918-1922 AND OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted)

1923				1924				Classification of foreign assets	Country
31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII		
813	567	282	607	798	368	447	794	Balances and credits abroad.	**Finland**
66	58	47	—	—	—	2	9	Foreign bills.	
7	7	7	6	5	5	5	4	Foreign Government securities.[1]	
886	632	336	613	803	373	454	807	TOTAL.	
1818	1735	1904	2116	2389	2097	2068	2036	Balances and credits abroad.	**France** [2]
19	19	29	76	122	97	63	76	Foreign bills.	
1837	1754	1933	2192	2511	2194	2131	2112	TOTAL.	
270	309	179	853	840	1465	1419	793	Foreign bills and balances.	**Greece**
—	—	—	—	—	682268	1385880	2507298	Foreign balances, bills and banknotes.	**Hungary**
289	279	155	152	126	114	110	101	Balances and credits abroad.	**Italy**
—	—	1	2	2	1	1	1	Foreign bills.	
1	1	1	1	1	1	2	2	Foreign banknotes.	
58	57	58	61	56	52	52	53	Foreign Govt. securities.	
348	337	215	216	185	168	165	157	TOTAL.	
								Bank of Latvia:	**Latvia**
363	50.1	59.2	46.9	43.1	39.6	33.5	40.8	Balances and Credits abroad.	
3.7	1.4	1.6	2.2	2.3	4.3	7.2	6.1	Foreign bills.	
0.8	0.1	0.4	1.4	1.2	1.7	0.4	0.4	Foreign banknotes.	
40.8	51.6	61.2	50.5	46.6	45.6	41.1	47.3	Total.	
								Treasury:	
18.3	19.1	20.2	18.3	16.4	13.4	13.4	12.9	Deposits in foreign banks	
59.1	70.7	81.4	68.8	63.0	59.0	54.5	60.2	TOTAL.	
									Lithuania
28.6	35.5	37.2	40.9	50.2	48.9	43.7	56.8	Foreign bills and balances.	
			5.6	6.6	6.5	6.8	6.4	Foreign banknotes.	
28.6	35.5	37.2	46.5	56.8	55.4	50.5	63.2	TOTAL.	

[1] Russian Government securities and blocked Central European Government securities excluded (see notes Vol. II).
[2] Paper value according to dollar rate (see notes vol. II).

Tableau V (*suite*).

INDIQUANT LES AVOIRS ÉTRANGERS DES BANQUES CENTRALES A LA FIN DES ANNÉES 1913 ET 1918-1922 ET DES TRIMESTRES 1923 ET 1924.

(En millions)

Pays	Etalon monétaire Unit of currency	Classification des avoirs à l'étranger	1913	1918	1919	1920	1921	1922
Norvège	Krone	Disponibilités et devises étrangères	33·3	73·3	76·3	58·3	42·5	53·3
		Fonds d'Etat étrangers	7·3	5·0	4·3	4·3	4·3	4·3
		TOTAL	40.6	78.3	80.5	62.6	46.8	57.6
Pays-Bas [1]	Gulden	Disponibilités à l'étranger	1.1	98.8	38.8	41.7	17.9	22.5
		Effets sur l'étranger	19.0	7.5	54.0	17.0	41.0	115.1
		TOTAL	20.1	106.3	92.8	58.7	58.9	137.6
Pologne	Mkp. Depuis mai 1924 en Zloty	Disponibilités et devises étrangères [2]	—	792	2459	3956	24089	98086
		Billets de banque étrangers	—	—	170	404	3922	7112
		TOTAL	—	792	2629	4360	28011	105198
Portugal	Escudo	Disponibilités et devises étrangères	—	—	—	21.2	2.9	48.6
		Fonds d'Etat étrangers	—	2.0	1.3	1.7	1.7	3.4
		TOTAL	—	2.0	1.3	22.9	4.6	52.0
Roumanie	Leu	Disponibilités et devises étrangères [3]	57	349	583	702	517	1068
Russie	Roubles Tchervontsy	Devises et disponibilités à l'étranger [4]						19
		Billets de banques étrangers						6
		TOTAL						25
Royaume des Serbes, Croates et Slovènes	Dinar	Devises et disponibilités à l'étranger [5]	4		118	200	411	270
		Billets de banque étrang. [5]	—		18	14	30	19
		TOTAL	4		136	214	441	289

[1] Les chiffres annuels se rapportent à la fin de mars de l'année suivante.

[2] Disponibilités brutes. Les chiffres pour fin décembre 1923 et fin mars 1924: en milliards de Mkp. Valeur-or des réserves nettes: 31/XII/1923: 12,3; 31/III/1924: 88,2; 30/VI/1924: 197,1; 30/IX/1924: 214,8; 31/XII/1924: 254,1.

[3] Les chiffres indiqués représentent en partie des crédits des gouvernements étrangers qui ne semblent pas avoir été à la libre disposition de la Banque (voir remarques Vol. II).

[4] Réserves totales en métaux précieux et devises, moins l'encaisse métallique du Service d'émission (voir remarques Vol. II).

[5] Non compris les crédits français. Les soldes sont convertis en valeur papier selon le cours du dollar (voir remarques Vol. II).

Table V (*continued*).

SHOWING FOREIGN ASSETS HELD BY CENTRAL BANKS AT THE END OF THE YEARS 1913 AND 1918-1922 AND OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted)

1923				1924				Classification of foreign assets	Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII		
33.6	30.5	30.0	27.7	29.0	27.6	45.0	46.6	Foreign balances, bills and banknotes.	**Norway**
4.3	4.3	4.3	4.1	4.1	4.1	4.1	4.1	Foreign Govt. securities.	
37.9	34.8	34.3	31.8	33.1	31.7	49.1	50.7	TOTAL.	
22.5				29.3				Balances credits abroad.	**Netherlands** [1]
115.1	51.6	51.7	26.8	23.3	94.0	40.3	112.0	Foreign bills.	
137.6				52.6				TOTAL.	
29869	276506	857112	57500	323014	257	234	269	Foreign balances bills.[2]	**Poland**
63825	67544	52073	4632					Foreign banknotes.	
93694	344050	909185	62132	323014	257	234	269	TOTAL.	
87.8	67.1	71.9	54.5	27.8	43.5	37.0	57.7	Foreign balances and bills.	**Portugal**
3.4	3.4	3.4	3.5	3.5	3.5	3.5	30.0	Foreign Govt. securities.	
91.2	70.5	75.3	58.0	31.3	47.0	40.5	87.7	TOTAL.	
1068	1288	1252	1277	1277	1277	1319	1329	Foreign balances and bills.[3]	**Roumania**
37	36	39	69	128	102	70	98	Foreign bills and balances.[4]	**Russia**
1	3	34	55	77	100	100	99	Foreign banknotes.	
38	39	73	124	205	202	170	197	TOTAL.	
541	615	757	773	254	228	797	960	Foreign bills and balances.[5]	**Kingdom of the Serbs, Croats and Slovenes**
39	42	65	53	38	47	81	59	Foreign banknotes [5].	
580	657	822	826	292	275	878	1019	TOTAL.	

[1] Annual figures refer to end of March of following year.

[2] Gross balances. Figures for end of December 1923 and end of March 1924: 000,000,000's omitted Gold value of net reserve: 31/XII/1923: 12.3; 31/III/1924: 88.2; 30/VI/1924: 197 1; 30/IX/1924: 214.8; 31/XII/1924: 254.1.

[3] The figures given consist partly of foreign Government credits, which appear not to have been at the free disposal of the Bank (see notes Vol. II).

[4] Total reserves of precious metals and foreign exchange less metallic reserve of the Issue Department (see notes Vol. II)

[5] Excluding French credits. The remainder is converted into paper value according to dollar rate (see notes Vol. II).

Tableau V (*suite*)

INDIQUANT LES AVOIRS ÉTRANGERS DES BANQUES CENTRALES A LA FIN DES ANNÉES 1913 ET 1918-1922 ET DES TRIMESTRES 1923 ET 1924.

(En millions)

Pays	Etalon monétaire Unit of currency	Classification des avoirs à l'étranger	1913	1918	1919	1920	1920	1921
Suède	Krona	Disponibilités à l'étranger . . .	31	46	49	74	56	129
		Effets sur l'étranger.	70	70	67	31	72	34
		Fonds d'Etat étrangers	27	52	45	10	12	89
		TOTAL . . .	128	168	161	115	140	252
Suisse	Franc	Disponibilités à l'étranger . . .	—	50.1	70.3	3.4	15.6	7.6
		Effets sur l'étranger	37.5	20.5	24.5	22.0	43.1	66.4
		TOTAL . . .	37.5	70.6	94.8	25.4	58.7	74.0
Tchéco-slovaquie	Korona	Disponibilités et devises étrangères	—	—	14	582	533	601
		ASIE						
Indes néerlandaises [1]	Gulden	Disponibilités à l'étranger . . .	4.7	8.2	32.8	21.1	19.3	33.2
		Effets sur l'étranger	11.8	20.4	13.2	23.0	22.2	32.4
		TOTAL . . .	16.5	28.6	46.0	44.1	41.5	65.6
Japon	Yen	Disponibilités à l'étranger [2] . . .	152	801	970	756	679	260
		Fonds d'Etat étrangers	—	—	—	83	90	142
		TOTAL . . .	152	801	970	839	769	402
		AUSTRALIE						
Australie	£	Disponibilités et crédits à l'étranger	—	—	—	4.2	10.7	9.2
		Effets sur l'étranger	—	—	—	4.8	1.9	2.2
		Fonds d'Etat étrangers	—	—	—	23.7	24.9	25.7
		TOTAL . . .	—	—	—	32.7	37.5	37.1

[1] Les chiffres annuels se rapportent à la fin de mars de l'année suivante.

[2] Fin 1924 approximation. Les chiffres des disponibilités à l'étranger ne figurent pas séparément dans les situations hebdomadaires de la Banque (voir remarques Vol. II).

Table V (*continued*).

SHOWING FOREIGN ASSETS HELD BY CENTRAL BANKS AT THE END OF THE YEARS 1913 AND 1918-1922 AND OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted)

1923				1924				Classification of foreign assets	Country
31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII		
60	43	50	43	24	31	57	95	Balances abroad.	**Sweden**
35	2	1	1	—	6	1	5	Foreign bills.	
129	140	115	102	77	43	42	38	Foreign Govt. securities.	
224	185	166	146	101	80	100	138	TOTAL.	
13.9	26.9	19.8	9.0	25.6	14.2	25.5	46.9	Balances abroad.	**Switzerland**
			85.4				146.3	Foreign bills.	
			94.4				193.2	TOTAL.	
556	1938	2433	1236	662	674	657	737	Foreign balances, bills and bank-notes.	**Czecho-slovakia**

ASIA

33.2				12.2				Balances and credits abroad.	**Dutch East Indies** [1]
32.4	28.7	31.1	25.1	17.3	20.8	18.6	16.4	Foreign bills.	
65.6				29.5				TOTAL.	
			221				200	Balances and credits abroad.[2]	**Japan**
			6				—	Foreign Govt. securities.	
			227				200	TOTAL.	

AUSTRALIA

									Australia
	5.7		6.8		9.7		10.6	Balances and credits abroad.	
	1.5		1.5		1.4		3.2	Foreign bills.	
	28.0		29.5		30.1		30.3	Foreign Govt. securities.	
	35.2		37.8		41.2		41.1	TOTAL.	

[1] Annual figures refer to end of March of following year.

[2] End of 1924 estimated. The figures for foreign assets are not shown separately in the weekly balance sheets of the Bank (see notes Vol. II).

Tableau V (*fin*)

INDIQUANT LES AVOIRS ÉTRANGERS DES BANQUES CENTRALES A LA FIN DES ANNÉES 1913 ET 1918-1922 ET DES TRIMESTRES 1923 ET 1924.

(En millions)

Pays	Etalon monétaire Unit of currency	Classification des avoirs à l'étranger	1913	1918	1919	1920	1921	1922
AFRIQUE								
Afrique du Sud	£	Effets sur l'étranger	—	—	—	—	—	0.5
		Fonds d'Etat étrangers	—	—	—	—	—	—
		TOTAL . . .	—	—	—	—	—	0.5
Egypte	£.E.	Disponibilités nettes à l'étranger.	0.3	2.1	0.4	0.6	1.3	1.1
		Effets sur l'étranger.	1.3	2.6	7.4	1.6	1.8	5.2
		Fonds d'Etat étrangers	—	42.2	63.5	36.7	33.2	29.5
		TOTAL . . .	1.6	46.9	71.8	38.9	36.3	35.8
AMÉRIQUE DU NORD								
Canada	$	Disponibilités nettes à l'étranger.	84	91	106	112	82	88
		Billets de banque étrangers . . .	3	10	13	34	30	24
		TOTAL [1] . .	87	101	119	146	112	112
AMÉRIQUE DU SUD								
Brésil	Milreis	Disponibilités nettes à l'étranger.	—	—	—	—	—	—
		Effets sur l'étranger	—	—	—	—	—	—
		TOTAL . . .	—	—	—	—	—	—
Colombie	$	Disponibilités nettes à l'étranger.	—	—	—	—	—	—
Pérou	£P.	Disponibilités et devises étrangères	—	—	—	—	—	1.30
Uruguay	Peso	Disponibilités à l'étranger . . .	—	2.3	2.5	—	0.1	0.1

[1] Les effets sur l'étranger et les fonds d'Etat étrangers (y compris les fonds d'Etat britanniques et coloniaux) ne figurent pas séparément dans les situations des Chartered Banks (voir remarques Vol. II).

[2] Fin février.

Table V (*concluded*)

SHOWING FOREIGN ASSETS HELD BY CENTRAL BANKS AT THE END OF THE YEARS 1913 AND 1918-1922 AND OF EACH QUARTER IN 1923 AND 1924.

(000,000's omitted)

1923				1914				Classification of foreign assets	Country
31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII		
AFRICA									
0.6	0.8	0.3	1.4	1.6	0.8	0.4	1.0	Foreign bills.	**South Africa**
—	1.7	1.5	1.9	1.3	0.9	1.4	1.2	Foreign Government securities.	
0.6	2.5	1.8	3.3	2.9	1.7	1.8	2.2	TOTAL.	
1.1	0.9	2.6	1.4	2.5	3.4	3.8	5.0	Net balances and credits abroad.	**Egypt**
4.9	1.6	1.0	6.7	3.3	2.1	2.2	5.7	Foreign bills.	
26.9	23.1	24.9	32.6	29.3	25.5	30.9	38.2	Foreign Government securities.	
32.9	25.6	28.5	40.7	35.1	31.0	36.9	48.9	TOTAL.	
NORTH AMERICA									
86	76	67	77	72	60	26	83	Net balances abroad.	**Canada**
26	28	28	29	27	25	25	29	Foreign banknotes.	
112	104	95	106	99	85	51	112	TOTAL. [1]	
SOUTH AMERICA									
	106	100	172	152	234	170	245	Net balances and credits abroad.	**Brazil**
	18	18	7	8	10	9	7	Foreign bills.	
	124	118	179	160	244	179	252	TOTAL.	
—	—	—	2.5	3.8	8.4	11.3	13.7	Net balances abroad.	**Colombia**
1.32 [2]	—	0.93	0.85	0.76	0.69	0.70	1.14	Foreign balances, bills and banknotes.	**Peru**
0.4	1.5	0.6	1.2	4.2	3.0		3.5	Balances and credits abroad.	**Uruguay**

[1] Foreign bills and foreign (including British and Colonial) Government securities are not shown separately in the returns of the Chartered Banks (see notes Vol. II).

[2] End of February.

TABLEAU VI.

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923.

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Allemagne	Mark	Banques commerciales	Dépôts à vue . . .	2485	3182	4039	4773	7564	10640
			Dépôts à préavis:						
			moins de 3 mois .	1305	963	1416	2350	3794	4584
			plus de 3 mois. .	583	408	528	1079	2185	2305
			Correspondants dans le pays	479	505	591	845	1288	1597
			TOTAL. .	4852	5058	6574	9047	14771	19126
Autriche	Krone	9 Banques	Dépôts d'épargne .	635	719	937	1490	2202	2782
		Caisses d'épargne:							
		Postales	» »	199	174	200	234	289	327
		Autres	» »	2964	2871	2935	3398	4072	5135
		TOTAL	» »	3798	3764	4072	5122	6563	8244
Belgique	Franc	Banques commerciales	Comptes courants et dépôts	2759					
		Caisse générale d'Epargne	Dépôts	1123	1088	1066	1068	1110	1241
Bulgarie	Lev	Banque Nationale	Comptes courants privés	19	9	6	23	70	139
		Autres Banques d'Etat	Comptes courants et dépôts:						
			à vue	25	46	52	52	91	121
			à terme . . .	59	66	73	87	129	168
			TOTAL. .	84	112	125	139	220	289
		Banques commerciales	Comptes courants et dépôts	86	97	123	138	295	325
		Caisses postales d'épargne	Dépôts	66	66	77	115	214	287
Danemark	Krone	Banques commerciales	Dépôts	906	987	1324	2019	2441	3700
		Caisses d'épargne	»	858	894	981	1109	1253	1452

* Le chiffre de 1923 pour l'Allemagne est exprimé en mille milliards. [1] Fin janvier 1922.

TABLE VI.

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923 *	Description		Unit of currency	Country
27625	42974	78126	1329133		Sight deposits.	Commercial Banks.	Mark	**Germany**
					Deposits at notice:			
5165	8458	15259	69694		less than 3 months.			
2601	4617	7898	30295		more than 3 mths.			
					Correspondents at			
2788	4165	9991	161509		home.			
38179	60214	111274	1590631	1063034288	TOTAL.			
2126	3570	3928	55954	270485	Savings deposits.	9 Banks.	Krone	**Austria**
						Savings Banks:		
341	389	456	2020	7681	» »	Post Office.		
5153	6513	10555	119059	793119	» »	Other.		
7620	10472	14939	177033	1071285	» »	TOTAL.		
					Current and deposit			
	8870	9242	10082	11090	accounts.	Commercial Banks.	Franc	**Belgium**
						General Savings		
1336	1535	1743	1871	1971	Deposits.	Bank.		
					Private current			
297	468	521	626	1093	accounts.	National Bank.	Lev	**Bulgaria**
					Current and deposit	Other State Banks		
					accounts.			
137	165	329	617		Sight.			
207	265	306	315	343	Time.			
344	430	635	932		TOTAL.			
					Current and deposit	Commercial Banks.		
503	865	1204	1130	1832	accounts.			
						Post Office Sav-		
280	284	278	274	252	Deposits.	ings Banks.		
4074	4267	3760[1]	3336	3260	Deposits.	Commercial Banks.	Krone	**Denmark**
1460	1515	1621	1785	1800	»	Savings Banks.		

* The 1923 figure for Germany: 000,000,000,000's omitted. [1] End of January 1922.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923.

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Espagne	Peseta	Banques commerciales	Comptes courants .			535	723	1056	1770
			Dépôts [1]			303	328	338	415
			TOTAL. .			838	1051	1394	2185
		Caisses d'épargne :							
		Postales	Dépôts	—	—	—	16	32	47
		Autres	»	344	342	383	415	474	538
			TOTAL. .	344	342	383	431	506	585
Finlande	Markka	Banques commerciales	Comptes courants .	37	47	100	163	348	471
			Correspondants étrangers	16	21	38	56	76	158
			Dépôts fixes . . .	575	592	662	832	1325	1994
			Dépôts d'épargne .	44	48	63	85	140	223
			TOTAL. .	672	708	863	1136	1889	2846
		Caisses d'épargne :							
		Postales	Dépôts	9	7	10	15	24	28
		Autres	»	301	315	359	454	604	772
			TOTAL. .	310	322	369	469	628	800
		Total de l'Epargne	. . . . .	354	370	432	554	768	1023
France	Franc	6 Banques	Comptes courants .	4624	3918	4047	4885	6934	8081
			Dépôts fixes . . .	1333	399	377	380	448	478
			TOTAL. .	5957	4317	4424	5265	7382	8559
		Caisses d'épargne :							
		Nationale	Dépôts	1818	1808	1656	1429	1455	1612
		Ordinaires	»	3993	3939	3692	3342	3563	3910
			TOTAL. .	5811	5747	5348	4771	5018	5522
Grèce	Drachma	3 Banques commerciales	Comptes courants et correspondants .	59.4	42.6	42.2	35.0	59.3	74.6
			Dépôts :						
			à vue	45.1	28.3	33.5	51.1	150.9	254.2
			à terme	80.7	66.0	56.0	52.5	55.7	75.2
			d'épargne . . .	30.9	20.7	20.2	21.8	32.1	52.0
			TOTAL. .	216.1	157.6	151.9	160.4	298.0	456.0
		1 Banque	Comptes courants et dépôts	21.4	12.7	13.5	24.7	54.3	81.0
			4 Banques : TOTAL .	237.5	170.3	165.4	185.1	352.3	537.0
		Caisses postales d'Epargne	Dépôts	0.6	0.7	1.2	1.4	1.2	1.7

[1] Y compris le service d'épargne. [2] Provisoire.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 to 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
2168	2531	2575	2688	2729	Current accounts.	Commercial Banks.	Peseta	**Spain**
537	692	732	977	1126	Deposits [1].			
2705	3223	3307	3665	3855	TOTAL.			
						Savings Banks:		
66	85	105	122	134	Deposits.	Post Office.		
619	687	807	920	1000	»	Other.		
685	772	912	1042	1134	TOTAL.			
483	605	562	615	606	Current accounts.	Commercial Banks.	Markka	**Finland**
561	796	995	972	810	Foreign correspondents.			
2285	2453	2548	2780	3056	Fixed deposits.			
262	272	296	334	394	Savings deposits.			
3591	4126	4401	4701	4866	TOTAL.			
						Savings Banks:		
34	60	87	107	120	Deposits.	Post Office.		
910	997	1173	1349	1483	»	Other.		
944	1057	1260	1456	1603	TOTAL.			
1206	1329	1556	1790	1997	. . . . .	Total Savings.		
15421	17030	16532	17759	19168	Current accounts.	6 Banks.	Franc	**France**
568	628	605	548	618	Fixed deposits.			
15989	17658	17137	18307	19786	TOTAL.			
						Savings Banks:		
2087	2354	2697	2952	3164	Deposits.	National.		
5144	5795 [2]	6884 [2]	7797 [2]	8286 [2]	»	Private.		
7231	8149	9581	10749	11450	TOTAL.			
150.8	150.4	138.5	227.7	348.6	Current accounts and correspondents.	3 Commercial Banks.	Drachma	**Greece**
					Deposits:			
310.1	357.5	434.4	451.5	640.8	Sight.			
85.6	130.9	189.5	148.8	223.4	Time.			
70.5	79.4	107.3	106.0	158.1	Savings.			
617.0	718.2	869.7	934.0	1370.9	TOTAL.			
91.8	110.6	193.6	165.2	274.9	Current and deposit accounts.	1 Bank.		
708.8	828.8	1063.1	1099.2	1645.8	TOTAL for 4 Banks.			
5.0	5.6	10.0	15.7	33.3	Deposits.	Post Office Savings Banks.		

[1] Including savings accounts. [2] Provisional.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Hongrie	Korona	Banques commerciales	Comptes courants et dépôts						
		Caisses postales d'Epargne	Comptes courants .						
			Dépôts						
			TOTAL. .						
Italie	Lira	3 Banques	Correspondants . .	868	924	1096	1812	3010	4130
			Dépôts	585	440	366	586	862	1383
			TOTAL. .	1453	1364	1462	2398	3872	5513
		1 Banque	Correspondants . .	247	151	237	505	870	1578
			Dépôts	115	105	118	180	302	590
			TOTAL. .	362	256	355	685	1172	2168
		TOTAL	Correspondants . .	1015	1075	1333	2318	3880	5708
			Dépôts	700	545	483	766	1164	1973
			TOTAL. .	1715	1620	1816	3084	5044	7681
		Caisses d'épargne :							
		Postales	Dépôts	2060	1974	1946	2147	2655	3420
		Autres	»	2595	2546	2561	2975	3430	4436
			TOTAL. .	4655	4520	4507	5122	6085	7856
Lettonie	Lat [1] (L. Rble)	Banques commerciales	Comptes courants et dépôts						
			Correspondants . .						
			TOTAL. .						
Norvège	Krone	Banques commerciales	Comptes courants .	[2] 66	97	168	377	504	582
			Corresp. étrangers .	[2] 23	28	54	67	149	123
			Dépôts	[2] 531	525	711	1171	1699	2413
			TOTAL. .	[2] 620	650	933	1615	2352	3118
		Caisses d'Epargne	Dépôts et comptes courants	607	638	724	952	1244	1566
Pays-Bas	Gulden	6 Banques commerciales	Comptes courants .	143	172	247	360	537	640
			Dépôts	89	98	110	131	189	260
			TOTAL. .	232	270	357	491	726	900
		Caisses d'épargne :							
		Postales	Dépôts	184	185	189	207	223	242
		Privées :							
		principales	»	91	81	83	93	104	118
		autres	»	39	37	38	43	48	58
			TOTAL. .	314	303	310	343	375	418

[1] De 1919 à 1922 en millions de roubles; pour 1923 en millions de lats (50 roubles = 1 lat). [2] Fin janvier 1914.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
	15646	24026	43277	55259	Current and deposit accounts.	Commercial Banks.	Korona	**Hungary**
1089	1643	2993	8074	102421	Current accounts.	Post Office		
734	1109	1477	1687	2278	Deposits.	Savings Banks.		
1823	2752	4470	9761	104699	TOTAL.			
7074	9247	10245	10315	9251	Correspondents.	3 Banks.	Lira	**Italy**
1746	2290	2437	2152	2234	Deposits.			
8820	11537	12682	12467	11485	TOTAL.			
2630	3571	(3642)		(551)	Correspondents.	1 Bank.		
816	939	(900)		(81)	Deposits.			
3446	4510	(4542)		(632)	TOTAL.			
9704	12818	(13887)	10315	(9802)	Correspondents.	TOTAL.		
2562	3229	(3337)	2152	(2315)	Deposits.			
12266	16047	(17224)	12467	(12117)	TOTAL.			
						Savings Banks:		
5120	6903	8059	8620	8967	Deposits.	Post Office.		
5463	6247	7426	8546	9690	»	Other.		
10583	13150	15485	17166	18657	TOTAL.			
					Current and deposit accounts.	Commercial Banks.	Lat	**Latvia**
68	106	119	313	16.0[1]				
15	44	158	429	19.9[1]	Correspondents.		(L. Rble)	
83	150	277	742	35.9[1]	TOTAL.			
629	728	595	484	477	Current accounts.	Commercial Banks.	Krone	**Norway**
166	193	200	174	179	Foreign corresp.			
2670	2812	2708	2431	2074	Deposits.			
3465	3733	3503	3089	2730	TOTAL.			
					Deposits and current accounts.	Savings Banks.		
1839	2053	2296	2439	2528				
847	931	648	498	464	Current accounts.	6 Commercial Banks.	Gulden	**Nether-lands**
296	322	246	230	232	Deposits.			
1143	1253	894	728	696	TOTAL.			
						Savings Banks:		
268	273	283	298	305	Deposits.	Post Office.		
						Private:		
139	150	163	171	177	»	Chief banks.		
66	67	77			»	Other.		
473	490	523			TOTAL.			

[1] From 1919 to 1922 in millions of roubles; for 1923 in millions of lats (50 roubles = 1 lat). [2] End of January 1914.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Pologne	Marka p.	Banques commerciales dans l'ancien territoire russe	Dépôts à vue . .	140	122	129	115	153	459
			» à terme . .	83	77	69	66	66	94
			Correspondants: dans le pays . .	266	336	312	263	258	168
			à l'étranger . . .						
			TOTAL. .	489	535	510	444	477	721
Portugal	Escudo	5 Banques commerciales	Dépôts: à vue	11.5	14.2	18.5	22.4	29.2	47.2
			à terme	2.4	2.1	2.9	3.7	5.4	12.2
			non spécifiés . .	—	—	—	—	0.1	1.6
			TOTAL. .	13.9	16.3	21.4	26.1	34.7	61.0
		Autres Banques	Dépôts: à vue						
			à terme						
			non spécifiés . .						
			TOTAL. .						
		Toutes les banques	Total des dépôts . .						
		Caisses d'épargne: d'Etat [1]	Dépôts						
		privées	»						
Roumanie	Leu	Banques: Ancien Royaume Autres Provinces	Dépôts et comptes courants	270					536
			TOTAL. .						
Royaume-Uni [2]	£	Banques commerc.	Dépôts	1070.7	1167.3	1271.8	1478.9	1742.9	2102.0
		Caisses d'épargne: Postales	Dépôts	187.2	190.5	186.3	196.7	203.3	234.6
		« Trustee » [4]	»	68.5	69.5	66.8	68.4	66.3	75.1
			TOTAL. .	255.7	260.0	253.1	265.1	269.6	309.7
Roy. des Serbes, Croates et Slovènes	Dinar	Banques commerciales	Comptes courants .						
			Correspondants . .						
			Dépôts d'épargne .						
			TOTAL. .						

[1] Fin juin de chaque année. [2] Y compris l'Etat libre d'Irlande. [3] Provisoire. [4] Bilans du 20 novembre.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
1348	2715	16166	59588	4463184	Sight deposits.	Joint-Stock Banks in the former Russian territory.	Marka p.	**Poland**
108	444	1875	8960	460770	Time deposits.			
					Correspondents:			
603	5878	24040	72939	2908577	At home.			
			43823	9053173	Abroad.			
2059	9037	42081	185310	16885704	TOTAL.			
					Deposits:	5 Commercial Banks.	Escudo	**Portugal**
94.1	91.6	134.3	172.2	164.8	Sight.			
26.1	51.9	95.8	137.2	159.9	Time.			
0.7	1.1	1.7	0.1	0.4	Not specified.			
120.9	144.6	231.8	309.5	325.1	TOTAL.			
					Deposits:	Other Commercial Banks.		
	58.0	95.0	145.2	155.3	Sight.			
	17.5	27.8	45.9	68.5	Time.			
	10.8	21.2	40.7	24.8	Not specified.			
	86.3	144.0	231.8	248.6	TOTAL.			
	230.9	375.8	541.3	573.7	Total deposits.	All Banks.		
						Savings Banks:		
	165.5	212.1	268.7	353.1	Deposits.	State. [1]		
	49.0	96.4	119.2	123.8	»	Private.		
						Banks:	Leu	**Roumania**
1576	3467	5047	6223	5476	Deposits and current accounts.	Old Kingdom.		
874	1353	2081	3478	3947		Other Provinces		
2450	4820	7128	9701	9423	TOTAL.			
2398.8	2549.3	2576.5	2406.7	2353.7	Deposits.	Commercial Banks	£	**United Kingdom** [2]
						Savings Banks:		
266.3	266.5	264.2	268.1	283.4 [3]	Deposits.	Post Office.		
86.8	91.3	92.3	98.2	103.1	»	« Trustee ». [4]		
353.1	357.8	356.5	366.3	386.5	TOTAL.			
	301	1255	1510	1504	Current accounts.	Joint-Stock Banks	Dinar	**Kingdom of the Serbs, Croats and Slovenes**
	3429	2590	3416	3882	Correspondents.			
	731	1508	2036	2078	Savings deposits.			
	4461	5353	6962	7464	TOTAL.			

[1] End of June of each year. [2] Including the Irish Free State. [3] Provisional. [4] Balances on November 20th.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Suède	Krona	Banques commerciales	Comptes courants .	228	282	368	634	844	1229
			Corresp. étrangers .	42	69	85	98	223	131
			Dépôts à terme . .	1115	1140	1205	1350	1717	2386
			Dépôts d'épargne .	349	372	425	513	660	887
			TOTAL. .	1734	1863	2083	2595	3444	4633
		Caisses d'épargne : Postales	Dépôts	48	45	48	54	64	75
		Autres	»	953	987	1065	1207	1382	1624
			TOTAL. .	1001	1032	1113	1261	1446	1699
		Total de l'épargne	. . . . .	1350	1404	1538	1774	2106	2586
Suisse	Franc	Banques commerciales [1]	Comptes courants et correspondants .	1344	1396	1750	2195	2778	3267
			Obligations	2291	2346	2322	2366	2517	2616
			Autres dépôts . .	310	282	310	386	432	408
			Dépôts d'épargne .	779	797	830	893	1019	1169
			TOTAL. .	4724	4821	5212	5840	6746	7460
		Caisses d'épargne [1]	Comptes courants et correspondants .	59	68	71	84	55	73
			Obligations	215	222	227	236	223	240
			Autres dépôts . .	22	26	26	28	30	35
			Dépôts d'épargne .	780	791	797	823	894	991
			TOTAL. .	1076	1107	1121	1171	1202	1339
		Total des Banques et des Caisses d'épargne	Comptes courants et correspondants .	1403	1464	1821	2279	2833	3340
			Obligations	2506	2568	2549	2602	2740	2856
			Autres dépôts . . .	332	308	336	414	462	443
			Dépôts d'épargne .	1559	1588	1627	1716	1913	2160
			TOTAL général .	5800	5928	6333	7011	7948	8799
Tchécoslovaquie	Koruna	Banques commerciales	Comptes courants .						
			Correspondants . .						
			Dépôts à terme et d'épargne . . .						
			TOTAL. .						
		Caisses d'épargne	Dépôts						

[1] Les chiffres de 1913 à 1916 ne sont pas strictement comparables avec les données de 1917 et les années suivantes. (Voir observations aux Tableaux VI et VII, Vol. II.)

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
1391	1281	1115	1062	979	Current accounts.	Commercial Banks.	Krona	**Sweden**
156	142	99	101	105	Foreign corresp.			
2666	2854	2828	2447	2125	Deposit accounts.			
961	960	911	816	765	Savings deposits.			
5174	5237	4953	4426	3974	TOTAL.			
						Savings Banks:		
83	84	100	119	135	Deposits.	Post Office.		
1871	2024	2130	2243	2359	»	Other.		
1954	2108	2230	2362	2494	TOTAL.			
2915	3068	3141	3178	3259	. . . . .	TOTAL Savings.		
					Current accounts and	Commercial	Franc	**Switzerland**
3619	3698	3338	3094	3155	correspondents.	Banks[1].		
2753	2760	2761	2682	2590	Obligations.			
417	448	410	389	393	Other deposits.			
1295	1460	1538	1677	1810	Savings deposits.			
8084	8366	8047	7842	7948	TOTAL.			
					Current accounts and	Savings Banks[1].		
88	98	100	103	108	correspondents.			
258	279	307	325	328	Obligations.			
39	39	36	36	37	Other deposits.			
1077	1028	1048	1097	1159	Savings deposits.			
1462	1444	1491	1561	1632	TOTAL.			
					Current accounts and	Total of Banks and		
3707	3796	3438	3197	3263	correspondents.	Savings Banks.		
3011	3039	3068	3007	2918	Obligations.			
456	487	446	425	430	Other deposits.			
2372	2488	2586	2774	2969	Savings deposits.			
9546	9810	9538	9403	9580	Grand TOTAL.			
9516	8361	10455	11581	10214	Current accounts.	Joint-Stock Banks	Koruna	**Czecho-slovakia**
—	5350	6463	6086	6101	Correspondents.			
1221	2216	3997	5580	5727	Time and savings deposits.			
10737	15927	20915	23247	22042	TOTAL.			
5332	5887	7311	8705	10421	Deposits.	Savings Banks.		

[1] The figures for 1913 to 1916 are not strictly comparable with those for 1917 and the following years. (See notes to Tables VI and VII, vol. II.)

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Indes anglaises	Rupee	Banque Impériale[1] «Exchange Banks»	Dépôts privés . .	365	400	386	447	677	510
			Comptes courants et dépôts	293	284	322	380	534	619
		Banques commerciales	» »	258	201	201	257	322	421
			TOTAL. .	916	885	909	1084	1533	1550
		Epargne postale[2]	Dépôts	232	149	153	166	166	188
Japon	Yen	3 « Banques spéciales »	Comptes courants et dépôts:						
			Publics	8	15	14	14	15	16
			Autres: à vue . .	121	107	112	199	436	376
			à terme .	110	113	131	172	324	512
			autres .	8	17	10	32	36	95
			TOTAL. .	247	252	267	417	811	999
		Banques ordinaires et Caisses d'épargne	Comptes courants et dépôts:						
			Publics	21	20	21	55	65	79
			Autres: à vue . .	710	716	932	1274	1790	2302
			à terme .	739	853	943	1193	1738	2760
			autres .	133	141	139	169	240	354
			TOTAL. .	1603	1730	2035	2691	3833	5495
		Caisses d'épargne: Postales	Dépôts	197	196	222	299	417	563
		Autres	»	167	166	193	254	334	433
			TOTAL. .	364	362	415	553	751	996
Siam	Tical	Caisses d'épargne[2]	Dépôts	0.1	0.4	0.6	1.0	1.1	1.4
Australie	£	Commonwealth Bank[4]	Comptes courants officiels et privés:						
			sans intérêts . .	1.2	2.6	8.4	25.6	19.1	41.9
			à intérêts. . . .	0.3	1.0	1.7	4.1	4.1	9.1
			TOTAL. .	1.5	3.6	10.1	29.7	23.2	51.0
		Banques commerciales[4]	Comptes courants:						
			sans intérêts . .	62.8	65.0	72.7	69.7	76.5	78.9
			à intérêts. . . .	83.7	85.9	86.8	84.6	89.3	96.8
			TOTAL. .	146.5	150.9	159.5	154.3	165.8	175.7
		Caisses d'épargne	Dépôts	80.3	86.7	90.9	98.9	110.7	116.8

[1] Jusqu'à fin 1920: trois « Presidency Banks ». [2] Fin mars de l'année suivante. [3] Fin février 1924. [4] Moyenne du dernier trimestre de chaque année.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923
(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
682	780	649	570	742	Private deposits.	Imperial Bank[1].	Rupee	**British India**
744	748	752	734	684	Current and deposit accounts.	Exchange Banks.		
613	735	802	650	562	» »	Joint-Stock Banks		
2039	2263	2203	1954	1988	TOTAL.			
213	229	223	232	248	Deposits.	P.O.Savings Bank[2].		
					Current and deposit accounts:	3 «Special Banks».	Yen	**Japan**
9	17	7	10	10	Public.			
376	415	340	394	407	Other: Demand.			
413	277	268	264	323	Time.			
50	65	75	3	4	Other.			
848	774	690	671	744	TOTAL.			
					Current and deposit accounts:	Ordinary Banks and Savings Banks.		
95	123	168	174	132[3]	Public.			
2930	2997	3375	3324	3074[3]	Other: Demand.			
3509	3149	3402	3511	3611[3]	Time.			
445	836	867	894	764[3]	Other.			
6979	7105	7812	7903	7581[3]	TOTAL.			
						Savings Banks:		
698	828	901	976	1147	Deposits.	Post Office.		
543	565	571	550	626	»	Other.		
1241	1393	1472	1526	1773	TOTAL.			
1.5	1.3	1.4	1.6	1.9	Deposits.	Savings Banks[2].	Tical	**Siam**
					Official and private current accounts:	Commonwealth Bank.[4]	£	**Australia**
23.9	14.2	15.4	18.8	20.9	Not bearing interest.			
8.5	11.3	9.8	8.8	11.6	Bearing interest.			
32.4	25.5	25.2	27.6	32.5	TOTAL.			
					Current accounts:	Joint-Stock Banks.[4]		
97.3	108.7	100.4	101.2	102.3	Not bearing interest.			
97.9	107.1	109.4	120.5	129.4	Bearing interest.			
195.2	215.8	209.8	221.7	231.7	TOTAL.			
129.6	143.3	154.4	163.5	169.5	Deposits.	Savings Banks.		

[1] Up to the end of 1920: three Presidency Banks. [2] End of March of following year. [3] End of February 1924. [4] Average of the last quarter of year.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Nouvelle-Zélande	£	6 Banques commerciales [1]	Dépôts et comptes courants:						
			Gouvernement .	2.1	2.4	3.0	6.4	9.9	7.2
			Autres { à vue . .	12.3	13.7	17.3	18.0	18.5	20.3
			Autres { à terme .	10.5	10.7	11.9	13.2	13.8	14.4
			TOTAL. .	24.9	26.8	32.2	37.6	42.2	41.9
		Caisses d'épargne:							
		Postales [2]	Dépôts	17.1	19.0	22.2	25.6	29.2	33.4
		Autres [3]	»	1.8	1.9	2.1	2.4	2.7	3.1
			TOTAL. .	18.9	20.9	24.3	28.0	31.9	36.5
Union de l'Afrique du Sud	£	Banques commerciales	Gouvernement . .					2.9	3.5
			Epargne					1.0	1.6
			Comptes courants .					26.3	31.7
			Dépôts fixes . . .					21.7	26.6
			TOTAL. .	34.3	35.7	41.0	43.9	51.9	63.4
		Caisses postales d'épargne	Dépôts	6.7	6.3	6.6	6.8	7.0	7.5
		Total de l'épargne	. . . . .					8.0	9.1
Egypte	£ E.	Banques	Dépôts d'épargne .	0.5	0.3	0.3	0.4	0.5	0.8
		Epargne postale	» »	0.6	0.5	0.5	0.6	0.7	0.9
Canada	$	Chartered Banks	Dépôts:						
			Gouvernement .	32	42	47	43	83	270
			Autres: à vue . .	381	350	424	458	569	711
			à terme .	625	663	721	845	996	959
			Correspondants étrangers . . .	21	24	15	21	23	28
			TOTAL. .	1059	1079	1207	1367	1671	1968
		Caisses d'épargne:							
		Gouvernement	Dépôts	14	14	14	13	13	11
		Postales	»	41	40	40	42	40	41
		Privées [3]	»	39	38	40	44	42	47
			TOTAL. .	94	92	94	99	95	99

[1] Moyennes du dernier trimestre de chaque année. [2] De 1913-1919, fin de l'année; 1920-1923, fin mars de l'année suivante. [3] Fin mars de l'année suivante.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
					Deposit and current accounts:	6 Commercial Banks [1].	£	**New Zealand**
7·5	5·1	2·4	3·3	3·6	Government.			
30·1	33·0	24·4	23·5	24·3	Other { Sight.			
15·5	16·5	16·5	17·6	18·5	Other { Time.			
53·1	54·6	43·3	44·4	46·4	TOTAL.			
						Savings Banks:		
38·4	43·4	43·8	44·4	46·1	Deposits.	Post Office [2].		
3·6	3·8	3·9	4·7	5·2	»	Other [3].		
42·0	47·2	47·7	49·1	51·3	TOTAL.			
6·3	4·9	3·2	3·1	3·0	Government.	Joint-Stock Banks.	£	**Union of South Africa**
2·1	2·4	2·8	2·8	2·7	Savings.			
44·8	36·1	30·5	29·9	32·0	Current accounts.			
34·7	34·5	33·4	29·0	23·4	Fixed deposits.			
87·9	77·9	69·9	64·8	61·1	TOTAL.			
7·0	6·8	6·7	6·5	6·1	Deposits.	P.O.Savings Banks.		
9·1	9·2	9·5	9·3	8·8	. . . . .	Total Savings.		
1·0	0·9	0·7	0·9	1·0	Savings deposits.	Banks.	£ E.	**Egypt**
1·0	1·2	1·3	1·4	1·6	» »	P.O.Savings Banks.		
					Deposits:	Chartered Banks.	$	**Canada**
244	139	150	79	113	Government.			
703	657	541	538	560	Other: Sight.			
1138	1293	1241	1184	1180	Time.			
39	33	39	39	34	Foreign Correspondents.			
2124	2122	1971	1840	1887	TOTAL.			
						Savings Banks:		
10	10	10	9	9	Deposits.	Government.		
33	29	25	22	24	»	Post Office.		
53	59	58	59	65	»	Private [3].		
96	98	93	90	98	TOTAL.			

[1] Average of the last quarter of year. [2] From 1913 to 1919, end of year; for 1920-1923, end of March of following year. [3] End of March of following year.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Etats-Unis [1]	$	Banques Nationales	Dépôts:						
			Gouvernement [2] .	50	67	49	39	133	1038
			Autres: à vue [3] .	5812	6120	5101	6121	7143	7686
			à terme [4].			1286	1670	2091	2243
			Chèques certifiés et chèques de caisse	143	168	136	274	290	152
			TOTAL. .	6005	6355	6572	8104	9657	11119
			Correspondants . .	2121	2186	2208	2713	3026	2802
			TOTAL. .	8126	8541	8780	10817	12683	13921
		Toutes les autres Banques	Dépôts:						
			Gouvernement [2] .	—	—	—	—	—	—
			Autres: à vue [3] .	5295	4872	4952	6564	4147	5192
			à terme .	—	883	1200	870	1217	1287
			épargne .	6147	6401	6371	7171	7219	7727
			non classifiés.	—	—	—	88	4144	3498
			Chèques certifiés et chèques de caisse	82	104	93	45	43	56
			TOTAL. .	11524	12260	12616	14738	16770	17760
			Correspondants . .	464	519	575	751	888	793
			TOTAL. .	11988	12779	13191	15489	17658	18553
		Toutes les Banques	TOTAL de tous les dépôts	20114	21320	21971	26306	30341	32474
		Caisses postales d'Epargne	Dépôts d'épargne .	34	43	66	86	132	148
Argentine	Peso papel	Banque de la Nation	Comptes courants .	188	229	232	238	269	381
			Dépôts à terme . .	42	50	55	101	95	122
			Dépôts d'épargne .	215	232	311	303	321	435
			TOTAL. .	445	511	598	642	685	938
		Autres Banques	Comptes courants et dépôts	922	637	777	901	1143	1649
		Caisses postales d'Epargne	Dépôts	—	—	2	6	10	15
Bolivie	Boliviano	Banco de la Nación	Comptes courants et dépôts:						
			à vue	4.2	4.7	10.9	12.2	18.7	13.3
			à terme. . . .	1.8	1.0	1.1	1.3	2.0	3.5
			épargne . . .	—	—	—	—	—	—
			TOTAL. .	6.0	5.7	12.0	13.5	20.7	16.8
		2 Banques	Comptes courants .	7.5	7.4	6.3	6.4	7.4	7.6
			Dépôts à terme [4]. .	6.0	5.1	5.5	5.6	8.3	9.3
			TOTAL. .	13.5	12.5	11.8	12.0	15.7	16.9

[1] 30 juin. [2] Non compris les dépôts du gouvernement pour le compte des Caisses postales. [3] Y compris les dividendes dus. [4] Y compris l'épargne. [5] Fin février 1924.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
					Deposits:	National Banks.	$	**United States**[1]
567	176	249	103	192	Government[2].			
9106	10221	8709	9152	9289	Other: Demand[3].			
2691	3402	3660	4079	4710	Time[4].			
482	430	337	451	253	Certified and cashier's checks.			
12846	14229	12955	13785	14444	TOTAL.			
2985	2844	2151	2502	2409	Correspondents.			
15831	17073	15106	16287	16853	TOTAL.			
					Deposits:	All other Banks.		
—	—	141	26	46	Government[2].			
6913	7006	8464	6171	6266	Other: Demand[3].			
1364	1567	1317	1337	1704	Time .			
7375	7493	10184	10191	11622	Savings.			
5106	7527	2442	6220	6394	Not classified			
64	85	278	102	105	Certified and cashier's checks.			
20822	23678	22826	24047	26137	Total.			
905	864	658	742	1201	Correspondents.			
21727	24542	23484	24789	27338	TOTAL.			
37558	41615	38590	41076	44191	TOTAL of all deposits.	All Banks.		
167	157	152	138	132	Savings Deposits.	Postal Savings System.		
388	399	312	335	422	Current accounts.	Bank of the Nation.	Peso papel	**Argentine**
84	101	89	98	109	Time deposits.			
523	592	636	700	698	Savings deposits.			
995	1092	1037	1133	1229	TOTAL.			
1760	2118	2065	2082	1940[5]	Current and deposit accounts.	Other Banks.		
21	26	31	40	53	Deposits.	Post Office Savings Banks.		
					Current and deposit accounts:	Banco de la Nación.	Boliviano	**Bolivia**
15.7	9.9	13.8	23.1	16.2	Sight.			
3.9	2.8	2.6	2.2	2.1	Time.			
0.6	0.9	0.8	1.0	1.0	Savings.			
20.2	13.6	17.2	26.3	19.3	TOTAL.			
10.6	10.1	11.9	12.2	12.1	Current accounts.	2 Banks.		
12.8	14.1	18.7	18.6	17.7	Time deposits[1].			
23.4	24.2	30.6	30.8	29.8	TOTAL.			

[1] June 30th. [2] Excluding deposits on behalf of the Post Office Savings Banks. [3] Including dividends unpaid. [4] Including savings deposits. [5] End of February 1924.

Tableau VI (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Brésil	Milreis	Banque du Brésil	Comptes courants et dépôts:						
			à vue	140	112	67	99	90	55
			à terme . . .	19	6	5	10	9	90
			TOTAL. .	159	118	72	109	99	145
		Autres banques	à vue	335	277	373	476	620	1004
			à terme . . .	234	255	268	340	347	410
			TOTAL. .	569	532	641	816	967	1414
		Caisses fédérales d'Epargne	Dépôts d'épargne .	211	184	184	209	221	263
Chili	Peso papel	28 Banques commerciales	Dépôts:						
			or	61	69	66	86	121	237
			papier: à vue .	222	217	223	242	266	407
			à terme.	189	175	209	226	234	263
			TOTAL. .	411	392	432	468	500	670
		Caisses d'épargne	Dépôts	93	112	125	144	157	202
Costa Rica	Colon	B. Internacional [3]	Comptes courants et dépôts			0.6			
		Autres banques [4]		2.4	4.0	3.3	4.8		11.1
Equateur	Sucre	6 Banques	Comptes courants .	3.7	3.1	5.0	6.2	7.4	8.8
			Dépôts à terme . .	2.5	2.7	2.5	3.2	4.4	4.8
			TOTAL. .	6.2	5.8	7.5	9.4	11.8	13.6
Guatemala	Peso	6 Banques	Comptes courants et dépôts:						
			or	—	0.1	0.2	0.2	[5]	0.8
			papier	30.9	33.8	42.8	55.9	[5]	78.1
Honduras	Peso	Banco de Honduras	Comptes courants et dépôts	0.271	0.495	0.361	0.263	0.149	0.265
		Banco Atlantida	. . . . .	—	0.470	0.945	0.794	1.311	2.060
			TOTAL. .	0.271	0.965	1.306	1.057	1.460	2.325

[1] Fin novembre. [2] Fin janvier 1924. [3] Fin octobre de chaque année. [4] Pour 1913: fin juin; pour 1914 à 1923: fin juin de l'année suivante. [5] A cause d'un tremblement de terre, les chiffres ne sont pas connus. [6] 30 juin.

Table VI (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
					Current and deposit accounts:	Bank of Brazil.	Milreis	**Brazil**
145	249	618	897	836	Sight.			
36	36	515	495	715	Time.			
181	285	1133	1392	1551	TOTAL.			
1051	1094	1482	1839	2096	Sight.	Other Banks.		
677	841	733	910	559	Time.			
1728	1935	2215	2749	2655	TOTAL.			
298	321	339	395	422[1]	Savings deposits.	Federal Savings Banks.		
					Deposits:	28 Commercial Banks.	Peso papel	**Chile**
194	204	149	113	124	*Gold.*			
439	529	559	540	496	*Paper*: Sight.			
393	359	398	470	520	Time.			
832	888	957	1010	1016	TOTAL.			
234	253	287	334	355[2]	Deposits.	Savings Banks.		
					Current and deposit accounts.		Colon	**Costa Rica**
1.6	1.0	2.0	2.6	2.5		B. Internacional[3].		
8.8		5.0	5.2	5.5		Other Banks[4].		
10.0	12.1	11.1	12.2	11.6	Current accounts.	6 Banks.	Sucre	**Ecuador**
4.9	5.9	6.3	7.6	7.7	Time deposits.			
14.9	18.0	17.4	19.8	19.3	TOTAL.			
					Current and deposit accounts:	6 Banks.	Peso	**Guatemala**
0.3	0.3	0.2	0.4	0.3	*Gold.*			
100.8	55.7	39.9	65.5	64.9	*Paper.*			
0.307	0.759	0.328	0.334	0.344[6]	Current and deposit accounts.	B. de Honduras.	Peso	**Honduras**
2.973	3.560	3.432	3.274	3.856		Banco Atlantida.		
3.280	4.319	3.760	3.608		TOTAL.			

[1] End of November. [2] End of January 1924. [3] End of October of each year. [4] For 1913: end of June; since 1914: end of June of following year. [5] Owing to an earthquake no figures available. [6] June 30th

Tableau VI (*fin*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE A LA FIN DE CHAQUE ANNÉE DE 1913-1923

(En millions.)

Pays	Etalon monétaire	Description		1913	1914	1915	1916	1917	1918
Nicaragua	Cordoba	Banco Nacional	C. cts et dépôts:						
			à vue	0.180	0.221	0.558	0.261	0.888	0.992
			à terme . . .	0.052	—	—	0.333	0.026	0.002
			TOTAL. .	0.232	0.221	0.558	0.594	0.914	0.994
Paraguay	Peso		C. cts et dépôts:						
		Banques Nationales	*or*		0.012	0.003	0.060	0.284	0.164
		Banques privées	. . . . .		1.324	1.203	1.480	2.384	5.129
		Toutes les banques	. . . . .		1.336	1.206	1.540	2.668	5.293
		Banques Nationales	*papier*		—	0.8	2.3	5.2	2.5
		Banques privées	. . . . .		81.4	113.3	128.8	169.1	166.8
		Toutes les banques	. . . . .		81.4	114.1	131.1	174.3	169.3
Pérou	Libra	Banques de dépôts et d'escompte	C. cts et dépôts:						
			à vue	4.01	2.22	2.45	3.35	4.43	5.66
			à terme . . .	4.08	3.16	1.93	2.42	3.48	4.39
			TOTAL. .	8.09	5.38	4.38	5.77	7.91	10.05
		Caisses d'épargne	Dépôts	0.31	0.29	0.24	0.27	0.34	0.40
Uruguay[3]	Peso	Banque de la République	Comptes courants et dépôts privés:						
			à vue	5.3	6.1	9.4	10.3	15.7	18.0
			à terme . . .	1.4	0.8	1.0	0.7	0.7	0.8
			épargne . . .	1.0	1.2	1.7	3.4	5.6	7.9
			TOTAL. .	7.7	8.1	12.1	14.4	22.0	26.7
		Autres banques	à vue	12.5	11.5	12.6	17.6	20.8	26.5
			à terme . . .	17.5	13.0	11.6	15.2	19.3	22.4
			TOTAL. .	30.0	24.5	24.2	32.8	40.1	48.9
		Toutes les banques	TOTAL général .	37.7	32.6	36.3	47.2	62.1	75.6
		Caisse Nationale d'Epargne	Dépôts	1.9	1.8	1.9	2.3	2.8	3.3
Venezuela	Bolivar	4 Banques	C. cts et dépôts:						
			Gouvernement	6.5	8.6	15.0	27.5	33.1	31.6
			Autres	9.7	8.9	7.0	8.2	8.2	9.5
			Epargne . . .	0.7	0.6	0.7	0.8	0.9	0.9
			TOTAL. .	16.9	18.1	22.7	36.5	42.2	42.0

[1] Fin octobre. [2] 30 juin. [3] Banque de la République: fin décembre de chaque année; autres banques: moyenne de décembre.

Table VI (*concluded*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS AT THE END OF EACH YEAR FROM 1913 TO 1923

(000,000's omitted.)

1919	1920	1921	1922	1923	Description		Unit of currency	Country
1.140	1.319	0.519	0.425		Curr. and dep. accts	Banco Nacional.	Cordoba	**Nicaragua**
0.092	0.082	0.049	0.145		Sight.			
					Time.			
1.232	1.401	0.568	0.570	1.039[1]	TOTAL.			
					Curr. and dep. accts:		Peso	**Paraguay**
0.398	0.412	0.173		0.038[2]	*Gold.*	National Banks.		
5.022	1.509	1.728		2.276[2]	. . . . .	Private Banks.		
5.420	1.921	1.901	1.689	2.314[2]	. . . . .	All Banks.		
3.5	5.4	2.8		2.5[2]	*Paper.*	National Banks.		
186.8	65.2	82.8		156.7[2]	. . . . .	Private Banks.		
190.3	70.6	85.6	72.4	159.2[2]	. . . . .	All Banks.		
					Curr. and dep. accts.	Deposit and Discount Banks.	Libra	**Peru**
8.21	8.48	7.77	7.54	7.91	Demand.			
6.27	7.17	5.98	5.85	6.23	Time.			
14.48	15.65	13.75	13.39	14.14	TOTAL.			
0.54	0.65	0.70	0.81	0.94	Deposits.	Savings Banks.		
					Private current and deposit accounts:	Bank of the Republic.	Peso	**Uruguay**[3]
24.5	22.0	15.5	16.1	14.5	Sight.			
1.5	1.6	2.8	1.9	2.6	Time.			
11.9	13.4	17.2	20.7	22.6	Savings.			
37.9	37.0	35.5	38.7	39.7	TOTAL.			
37.8	29.7	32.1	28.2	33.2	Sight.	Other Banks.		
31.6	35.8	43.0	38.5	31.0	Time.			
69.4	65.5	75.1	66.7	64.2	TOTAL.			
107.3	102.5	110.6	105.4	103.9	Grand TOTAL.	All Banks.		
3.7	3.6	3.8	4.1	3.9	Deposits.	National Savings Bank.		
					Curr. and dep. accts.	4 Banks.	Bolivar	**Venezuela**
45.5	72.4	35.5	41.9	51.9	Government.			
11.4	15.3	13.1	13.4	13.1	Other.			
0.9	1.1	1.3	1.4	1.8	Savings.			
57.8	88.8	49.9	56.7	66.8	TOTAL.			

[1] End of October. [2] June 30th. [3] Bank of the Republic: end of December of each year; other banks: December average.

TABLEAU VII.

DÉPOTS COMMERCIAUX ET D'ÉPARGNE
A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.

(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919	1920	1921	1922			
				31-XII	31-XII	31-XII	31-III	30-VI	30-IX	31-XII
Autriche	Krone	9 Banques	Dépôts d'épargne	2126	3570	3928	6228	8336	15092	55954
		Caisses d'épargne :								
		Postales	» »	341	389	456	550	597	897	2020
		Principales	» »	2393	2863	4498	7229	9301	16320	53696
		Autres	» »	2760	3650	6057				65363
		TOTAL	» »	7620	10472	14939				177033
Belgique	Franc	Caisse générale d'Epargne	Dépôts.	1336	1535	1743	1805	1798	1814	1871
Bulgarie	Lev	Banque Nationale	Comptes courants privés	297	468	521	387	428	376	626
		Caisses postales d'épargne	Dépôts.	280	284	278	281	266	258	274
Danemark	Krone	Banques commerciales	Comptes courants et dépôts à vue			[1] 2037	1920	1928	1871	1776
			Dépôts à terme .			[1] 1364	1388	1343	1320	1236
			Corresp. étrangers			[1] 71	74	56	62	69
			TOTAL .			[1] 3472	3382	3327	3253	3081
Espagne	Peseta	Caisses postales d'épargne	Dépôts.	66	85	105	112	117	118	122
Esthonie	E. Mark	Banque d'Esthonie	Dépôts privés à vue							595
			Dépôts privés à terme							70
			TOTAL .	34		278	311	383	463	665
		Banques commerciales	Dépôts: à vue .							
			à terme							
			autres .							
			TOTAL .	97	608	820	906	1223	1375	1550
			Correspondants .	25	558	2277	2145	2668	1925	1730
			TOTAL général .	122	1166	3097	3051	3891	3300	3280

[1] Fin janvier de l'année suivante.

TABLE VII.

COMMERCIAL AND SAVINGS BANKS DEPOSITS
AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.
(000,000's omitted.)

1923				1924				Description		Country
31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII			
106766	165538	220231	270485	338840	426125	557252	851791	Savings Deposits.	9 Banks.	**Austria**
3643	4400	5438	7681	9581	11923	65736	104997	» »	Savings Banks: Post Office.	
117233	172233	238244	318194	432035	572415	804131	1198149	» »	Chief Banks.	
			474925				1228050	» »	Other.	
			1071285				3382987	» »	TOTAL.	
1874	1842	1880	1971	2011	2086	2125	2163	Deposits.	General Savings Bank.	**Belgium**
498	507	679	1093	988	685	659	850	Private current accounts.	National Bank.	**Bulgaria**
267	253	246	252	261	256	256	261	Deposits.	Post Office Savings Banks.	
1761	1759	1761	1751	1700	1605	1406	1360	Current accounts and sight deposits.	Commercial Banks.	**Denmark**
1218	1211	1222	1172	1178	1161	1083	1069	Time deposits.		
119	106	110	132	168	177	162	232	Foreign corresp.		
3098	3076	3093	3055	3046	2943	2651	2661	TOTAL.		
127	129	131	134	145	148	151	157	Deposits.	Post Office Savings Banks.	**Spain**
959	1074	803	897	859	1072	850	1006	Private deposits: Sight.	Bank of Esthonia	**Esthonia**
89	115	125	128	94	84	92	68	Private deposits: Time.		
1048	1189	928	1025	953	1156	942	1074	TOTAL.		
1248	1471	1257	1383	1293	1514			Deposits: Sight.	Commercial Banks.	
135	158	173	206	220	245			Time.		
113	128	145	83	87	158			Other.		
1496	1757	1575	1672	1600	1917			TOTAL.		
1725	1765	2105	2590	3061	3319			Correspondents.		
3221	3522	3680	4262	4661	5236			Grand TOTAL.		

1 End of January of the following year.

Tableau VII (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE

A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.

(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919	1920	1921	1922			
				31-XII	31-XII	31-XII	31-III	30-VI	30-IX	31-XII
Finlande	Markka	Banques commerciales	Comptes courants	483	605	562	656	666	674	615
			Corresp. étrangers	561	796	995	948	1000	998	972
			Dépôts fixes . .	2285	2453	2548	2597	2674	2638	2780
			Dépôts d'épargne	262	272	296	314	328	329	334
			TOTAL .	3591	4126	4401	4515	4668	4639	4701
		Caisses d'épargne	Dépôts.	944	1057	1260	1301	1332	1344	1456
			Total de l'épargne	1206	1329	1556	1615	1660	1673	1790
France	Franc	6 Banques	Comptes courants	15421	17030	16532				17759
			Dépôts fixes . .	568	628	605				548
			TOTAL .	15989	17658	17137				18307
		Caisses d'épargne : Nationale	Dépôts.	2087	2354	2697	2771	2838	2917	2952
		Ordinaires	»	5144	[1] 5795	[1] 6884				[1] 7797
			TOTAL .	7231	8149	9581				10749
Grèce	Drachma	Caisses postales d'Epargne	Dépôts.	5.0	5.6	10.0	11.6	11.4	12.6	15.7
Hongrie	Korona	Caisses postales d'épargne	Comptes courants	1089	1643	2993	3200	4357	4798	8074
			Dépôts d'épargne	734	1109	1477	1547	1552	1607	1687
			TOTAL .	1823	2752	4470	4747	5909	6405	9761
Italie	Lira	3 Banques	Correspondants .	6910	9001	10020	9364	9768	9786	10115
			Dépôts.	1746	2290	2436	2040	2095	2111	2152
			TOTAL .	8656	11291	12456	11404	11863	11897	12267
		1 Banque	Correspondants .	(2630)	(3571)	(3642)				
			Dépôts.	(816)	(939)	(900)				
			TOTAL .	(3446)	(4510)	(4542)				
		Total	Correspondants .	9540	12572	13662				
			Dépôts.	2562	3229	3336				
			TOTAL .	12102	15801	16998				
		Caisses d'épargne : Postales	Dépôts.	5120	6903	8059	8257	8356	8379	8620
		Autres	»	5463	6247	7426	7685	8003	8298	8546
			TOTAL .	10583	13150	15485	15942	16359	16677	17166

[1] Provisoire.

Table VII (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS
AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.
(000,000's omitted.)

1923				1924				Description		Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII			
716	745	715	606	720	713	699	643	Current accounts.	Commercial Banks.	**Finland**
1079	1011	884	810	674	594	466	451	Foreign corresp.		
2956	3150	3075	3056	3196	3315	3255	3273	Fixed deposits.		
375	368	400	394	421	431	421	423	Savings deposits.		
5126	5274	5074	4866	5011	5053	4841	4790	TOTAL.		
1471	1519	1529	1603	1670	1715	1728	1725	Deposits.	Savings Banks.	
1846	1887	1929	1997	2091	2146	2149	2148	Total Savings.		
			19168				18893	Current accounts.	6 Banks.	**France**
			618				678	Fixed deposits.		
			19786				19571	TOTAL.		
3107	3124	3161	3164	3280	3282	3313	3306	Deposits.	Savings Banks: National.	
			[1] 8286				[1] 8577	»	Private.	
			11450				11883	TOTAL.		
17.6	22.6	28.2	33.3	38.8	44.0	47.9	60.2	Deposits.	Post Office Savings Banks.	**Greece**
9919	16230	60961	102421	260379	304923	1236870	1874190	Current accounts.	Post Office Savings Banks.	**Hungary**
1717	1732	2053	2278	3674	4080	6522	10705	Savings deposits.		
11636	17962	63014	104699	264053	309003	1243392	1884895	TOTAL.		
10143	10377	10193	9043	9630	9899	9990	10411	Correspondents.	3 Banks.	**Italy**
2221	2251	2260	2234	2316	2405	2468	2491	Deposits.		
12364	12628	12453	11277	11946	12304	12458	12902	TOTAL.		
272	349	513	518	645	770	902	1036	Correspondents.	1 Bank.	
64	70	70	81	92	94	100	107	Deposits.		
336	419	583	599	737	864	1002	1143	TOTAL.		
10415	10726	10706	9561	10275	10669	10892	11447	Correspondents.	Total.	
2285	2321	2330	2315	2408	2499	2568	2598	Deposits.		
12700	13047	13036	11876	12683	13168	13460	14045	TOTAL.		
8605	8532	8647	8967	9272	9312	9439	9523	Deposits.	Savings Banks: Post Office.	
9163	9273	9478	9690	10014	10331	10684	10982	»	Other.	
17768	17805	18125	18657	19286	19643	20123	20505	TOTAL.		

[1] Provisional.

Tableau VII (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE
A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.
(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919 31-XII	1920 31-XII	1921 31-XII	1922 31-III	1922 30-VI	1922 30-IX	1922 31-XII
Lettonie	Lat	Banques commerciales	Dépôts.	[1] * 155	* 195	* 243	* 289	* 353	* 431	* 531
Lithuanie	Litas	Banques commerciales	Comptes courants							5.1
			Dépôts.							0.4
			Correspondants .							13.0
			TOTAL							18.5
Norvège	Krone	Banques commerciales	Comptes courants	629	728	595	505	515	507	484
			Correspondants étrangers . .	166	193	200	210	210	182	174
			Dépôts.	2670	2812	2708	2619	2565	2497	2431
			TOTAL .	3465	3733	3503	3334	3290	3186	3089
		Caisses d'épargne principales	Dépôts.	1481	1660	1868	1897	1889	1911	1992
Pays-Bas	Gulden	Caisses d'épargne: Postales	Dépôts.	268	273	283	285	285	289	298
		Autres	»	139	150	163	168	166	168	171
			TOTAL .	407	423	446	453	451	457	469
Pologne[2]	Zloty (Marka p.)	16 Banques commerciales	Dépôts: à vue .							[3] 68094
			à terme							[3] 11506
			TOTAL .							[3] 79600
		Caisses d'Epargne: Postales	Dépôts.		1049	3702	4330	4588	4757	5296
		Autres	»							
			TOTAL .							
Roumanie	Leu	8 Banques commerciales	Comptes courants et dépôts .	2190	4757	5941				7713
		Caisses d'Epargne	Dépôts.	105	138	166	166			
Royaume-Uni	£	Clearing Banks	Dépôts et comptes courants . . .	1703	1805	1818	1747	1755	1660	1685
		Caisses d'épargne: Postales	Dépôts.	266.3	266.5	264.2	269.3	268.5	270.8	276.1
		«Trustee»	»	71.6	73.9	72.2	71.8	72.9	72.9	75.8
			TOTAL .	337.9	340.4	336.4	341.1	341.4	343.7	351.9

* Millions de roubles (50 roubles = 1 lat). [1] Fin janvier 1920. [2] Jusqu'à la fin de 1923 les chiffres sont exprimés en marks.
[3] 31 janvier 1923.

Table VII (*continued*)

COMMERCIAL AND SAVINGS BANKS DEPOSITS
AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.
(000,000's omitted.)

1923				1924				Description		Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII			
13.3	16.9	20.2	23.2	30.7	33.7	36.8	38.8	Deposits.	Commercial Banks.	**Latvia**
5.1	7.6	11.3	14.3	11.3	14.0	17.8	22.8	Current accounts.	Commercial Banks.	**Lithuania**
0.7	1.3	0.7	2.3	1.2	2.4	5.3	18.7	Deposits.		
11.3	11.2	13.2	18.5	18.0	16.7	12.7	19.4	Correspondents.		
17.1	20.1	25.2	35.1	30.5	33.1	35.8	60.9	TOTAL.		
479	468	472	477	504	476	459	459	Current accounts.	Commercial Banks.	**Norway**
174	176	166	179	177	192	166	162	Foreign correspondents.		
2371	2215	2124	2074	2042	1995	1950	1967	Deposits.		
3024	2859	2762	2730	2723	2663	2575	2588	TOTAL.		
1994	1993	2007	2067	2051	2018	2006	2078	Deposits.	Principal Savings Banks	
298	293	298	305	306	300	303	299	Deposits.	Savings Banks: Post Office.	**Netherlands**
173	172	175	177	179	176	179	180	»	Other.	
471	465	473	482	485	476	482	479	TOTAL.		
118088	160198	438000	6349000	13.1	23.7	46.1	55.0	Deposits: Sight.	16 Commercial Banks.	**Poland**[2]
16196	24529	57000	325000	1.7	7.0	13.9	16.6	Time.		
134284	184727	495000	6674000	14.8	30.7	60.0	71.6	TOTAL.		
6073	29900	126000	1142000	1.7	2.4	4.8	6.9	Deposits.	Savings Banks: Post Office.	
				0.8	1.5	2.8	6.0	»	Other.	
				2.5	3.9	7.6	12.9	TOTAL.		
			6359				6120	Current and deposit accounts.	8 Commercial Banks.	**Roumania**
176			169	171	167	164	161	Deposits.	Savings Banks.	
1596	1638	1609	1673	1603	1652	1612	1656	Deposits and current accounts.	Clearing Banks.	**United Kingdom**
280.4	280.9	281.5	283.6	285.2	286.9	287.9	291.7	Deposits.	Savings Banks: Post Office.	
76.7	78.6	78.2	79.3	79.7	80.9	80.0	80.8	»	Trustee.	
357.1	359.5	359.7	362.9	364.9	367.8	367.9	372.5	TOTAL.		

* Millions of roubles (50 roubles = 1 lat). [1]End of January 1920. [2] Up to the end of 1923 the figures are expressed in marks.
[3] January 31st, 1923.

Tableau VII (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE
A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.

(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919	1920	1921	1922			
				31-XII	31-XII	31-XII	31-III	30-VI	30-IX	31-XII
Suède	Krona	Banques commerciales	Comptes courants	1391	1281	1115	1167	1114	1152	1062
			Correspondants étrangers . .	156	142	99	113	89	76	101
			Dépôts à terme .	2666	2854	2828	2789	2710	2567	2447
			Dépôts d'épargne	961	960	911	929	888	868	816
			TOTAL .	5174	5237	4953	4998	4801	4663	4426
		Caisses postales d'épargne	Dépôts.	83	84	100	107	112	116	119
Suisse	Franc	Banques cantonales	Dépôts d'épargne	967	1053	1137	1156	1171	1198	1249
Tchécoslovaquie	Koruna	Banques commerciales	Comptes courants		[1] 5567	7482	8077	8210	8732	8438
			Dépôts.		[1] 2626	4253	4748	5197	5530	5748
			TOTAL .		[1] 8193	11735	12825	13407	14262	14186
		Caisses d'épargne	Dépôts.	5332	5887	7311	7854	8045	8264	8705
Indes angl.	Rupee	Banque Impériale	Dépôts privés .	682	780	649	571	630	732	570
Japon	Yen	Banques associées à 14 Clearing Houses	Comptes courants	1089	982	970	840	894	767	871
			Comptes courants spéciaux . . .	722	804	912	966	927	916	896
			Dépôts à vue . .	312	451	439	399	401	429	408
			» à terme .	2371	1972	2196	2146	2143	2214	2206
			Autres dépôts .	481	602	588	595	597	616	633
			TOTAL .	4975	4811	5105	4946	4962	4942	5014
		Caisses d'épargne : Postales	Dépôts.	698	828	901	901	929	961	976
		Autres	»	543	565	571	457	534	558	550
			TOTAL .	1241	1393	1472	1358	1463	1519	1526

[1] Fin janvier 1921. [2] Fin octobre. [3] A cause du tremblement de terre, les chiffres ne sont pas connus.

Table VII (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS

AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.

(000,000's omitted.)

1923				1924				Description		Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII			
1074	1052	1088	979	993	930	973	872	Current accounts.	Commercial Banks.	**Sweden**
112	109	85	105	94	95	100	152	Foreign correspondents.		
2374	2268	2198	2125	2112	2082	2053	2016	Deposit accounts.		
833	810	798	765	814	814	814	787	Savings deposits.		
4393	4239	4169	3974	4013	3921	3940	3827	TOTAL.		
124	126	131	135	139	140	145	149	Deposits.	Post Office Savings Banks.	
1294	1305	1316	1353	1352	1336	1333	1314	Savings deposits.	Cantonal Banks.	**Switzerland**
8248	8055	8262	7723	7683	6788	6732	7047	Current accounts.	Commercial Banks.	**Czechoslovakia**
5711	5540	5701	5821	5904	5894	6153	6566	Deposits.		
13959	13595	13963	13544	13587	12682	12885	13613	TOTAL.		
9214	9725	10072	10421	10816	10875	11030	11354	Deposits.	Savings Banks.	
536	683	789	742	712	766	736	767	Private deposits.	Imperial Bank.	**British India**
854	1000	814	985	851	935	836		Current accounts.	Associated Banks at 14 Clearing Houses.	**Japan**
886	925	852	923	910	937	912		Special current accounts.		
371	325	443	499	501	506	486		Sight deposits.		
2230	2371	2175	2265	2302	2357	2449		Time »		
552	428	263	302	324	290	338		Other »		
4893	5049	4547	4974	4888	5025	5021	5134	TOTAL.		
995	1045	[2] 1073	1147	1146	1175	1177	1160	Deposits.	Savings Banks: Post Office.	
581	662	[3]	626	624	652	667		»	Other.	
1576	1707		1773	1770	1827	1844		TOTAL.		

[1] End of January 1921. [2] End of October. [3] Owing to an earthquake, no reports available.

Tableau VII (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE
A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.

(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919	1920	1921	1922			
				31-XII	31-XII	31-XII	31-III	30-VI	30-IX	31-XII
Australie	£	Commonwealth Bank [1]	Comptes courants sans intérêts .	23.9	14.2	15.4	14.1	19.2	19.8	18.8
			à intérêts . .	8.5	11.3	9.8	8.5	10.8	9.0	8.8
			TOTAL .	32.4	25.5	25.2	22.6	30.0	28.8	27.6
		Banques commerciales [1]	Comptes courants sans intérêts .	97.3	108.7	100.4	107.0	104.4	100.0	101.2
			à intérêts . .	97.9	107.1	109.4	110.7	115.2	118.2	120.5
			TOTAL .	195.2	215.8	209.8	217.7	219.6	218.2	221.7
		Caisses d'épargne	Dépôts.	129.6	143.3	154.4	155.9	162.7	163.2	163.5
Nouvelle Zélande	£	6 Banques commerciales [2]	Dépôts et comptes courants							
			Gouvernement	7.5	5.1	2.4	4.5	6.0	5.0	3.3
			Autres à vue	30.1	33.0	24.4	24.2	25.1	24.5	23.5
			Autres à terme	15.5	16.5	16.5	16.2	16.3	17.5	17.6
			TOTAL .	53.1	54.6	43.3	44.9	47.4	47.0	44.4
		Caisses postales d'épargne	Dépôts.	38.4	41.1	42.6	43.8	43.4	43.4	42.9
Afrique du Sud	£	Banques commerciales	Gouvernement .	6.3	4.9	3.2	5.6	4.6	4.1	3.1
			Epargne . . .	2.1	2.4	2.8	2.8	2.7	2.8	2.8
			Comptescourants	44.8	36.1	30.5	29.8	28.6	27.8	29.9
			Dépôts fixes .	34.7	34.5	33.4	31.5	30.9	30.7	29.0
			TOTAL .	87.9	77.9	69.9	69.7	66.8	65.4	64.8
		Caisses postales d'épargne	Dépôts.	7.0	6.8	6.7	6.5	6.5	6.6	6.5
			Total de l'épargne	9.1	9.2	9.5	9.3	9.2	9.4	9.3
Egypte	£ E.	Banques	Dépôts d'épargne	1.0	0.9	0.7	0.8	0.9	1.0	0.9
		Caisses postales d'épargne	» »	1.0	1.2	1.3	1.3	1.4	1.3	1.4

[1] Moyenne du trimestre. Pour la Commonwealth Bank y compris les comptes courants officiels. [2] Moyenne du trimestre.

Table VII (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS

AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.

(000,000's omitted.)

1923				1924				Description		Country
31-III	30-VI	30-IX	31-XII	31-III	30-VI	30-IX	31-XII			
15.7	17.7	21.4	20.9	18.2	23.0	19.3	21.1	Current accounts: Not bearing int.	Commonwealth Bank [1].	**Australia**
12.7	14.7	13.1	11.6	11.7	6.9	5.8	6.0	Bearing interest.		
28.4	32.4	34.5	32.5	29.9	29.9	25.1	27.1	TOTAL.		
108.4	108.7	100.3	102.3	111.1	106.2	98.3	101.9	Current accounts: Not bearing int.	Joint-Stock Banks [1].	
123.6	129.1	130.5	129.4	133.2	130.6	131.7	132.8	Bearing interest.		
232.0	237.8	230.8	231.7	244.3	236.8	230.0	234.7	TOTAL.		
164.1	172.2	170.0	169.5	167.9	177.5	176.0	172.9	Deposits.	Savings Banks.	
5.2	6.4	5.1	3.6	4.7	4.0	2.8	2.2	Deposit and current accounts: Government.	6 Commercial Banks [2].	**New Zealand**
26.5	28.3	25.8	24.3	28.4	28.3	25.2	24.8	Other: Sight.		
17.0	17.4	18.1	18.5	18.6	19.3	19.9	19.9	Other: Time.		
48.7	52.1	49.0	46.4	51.7	51.6	47.9	46.9	TOTAL.		
44.4	44.9	44.6	44.4	46.1	45.9	45.4	44.9	Deposits.	Post Office Savings Banks.	
3.0	2.2	1.9	3.0	2.2	1.6	1.8	2.0	Government.	Joint-Stock Banks.	**South Africa**
2.8	2.7	2.7	2.7	2.8	2.8	2.8	2.9	Savings.		
30.0	29.6	28.7	32.0	30.8	30.0	29.1	30.9	Current accounts		
26.3	25.4	24.4	23.4	23.0	22.8	22.1	22.3	Fixed deposits.		
62.1	59.9	57.7	61.1	58.8	57.2	55.8	58.1	TOTAL.		
6.2	6.2	6.2	6.1	6.1	6.1	6.2	6.1	Deposits.	Post Office Savings Banks.	
9.0	8.9	8.9	8.8	8.9	8.9	9.0	9.0	Total Sav. deposits		
1.0	1.0	1.0	1.0	1.1	1.1	1.0	1.1	Savings deposits.	Banks.	**Egypt**
1.5	1.5	1.5	1.6	1.7	1.7	1.7	1.8	» »	Post Office Savings Banks.	

[1] Average of quarter. For the Commonwealth Bank including official current accounts. [2] Average of quarter.

Tableau VII (*suite*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE
A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.
(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919	1920	1921	1922			
				31-XII	31-XII	31-XII	31-III	30-VI	30-IX	31-XII
Canada	$	Chartered Banks	Dépôts:							
			Gouvernement	244	139	150	125	89	109	79
			Autres à vue	703	657	541	484	506	490	538
			Autres à terme	1138	1293	1241	1230	1181	1158	1184
			Corresp. étrangers	39	33	39	46	36	34	39
			TOTAL .	2124	2122	1971	1885	1812	1791	1840
		Caisses d'épargne:								
		Gouvernement	Dépôts.	43	39	35	34	33	32	31
		Privées . . .	»	50	56	57	58	57	57	58
			TOTAL .	93	95	92	92	90	89	89
Etats-Unis	$	Banques membres du Système fédéral de réserve dans les villes principales	Dépôts:							
			Gouvernement	580	262	257	199	124	147	351
			Autres: à vue .	11174	10942	10174	10309	11124	11085	11527
			à terme	2302	2852	2998	3131	3380	3573	3748
			TOTAL .	14056	14056	13429	13639	14628	14805	15626
		Caisses d'épargne postales	Dépôts d'épargne	161	163	146	144	138	136	132
Argentine	Peso papel	Banco de la Nación	Comptes courants et dépôts . .	995	1092	1037	1072	1094	1111	1133
		Autres Banques	» »	1760	2118	2065	2054	2012	2047	2082
		Epargne postale	Dépôts.	21	26	31	32	35	[2] 38	40
Bolivie	Boliviano	Banco de la Nación	C. cts et dépôts:							
			à vue . . .	15.7	9.9	13.8		17.0		23.1
			à terme . .	3.9	2.8	2.6		2.5		2.2
			Epargne . .	0.6	0.9	0.8		0.9		1.0
			TOTAL .	20.2	13.6	17.2		20.4		26.3
		2 Banques	Comptes courants	10.6	10.1	11.9		10.2		12.2
			Dépôts à terme[3].	12.8	14.1	18.7		19.1		18.6
			TOTAL .	23.4	24.2	30.6		29.3		30.8
Chili	Peso	Caisses d'épargne	Dépôts.	234	253	287				334

[1] Fin février 1924. [2] Fin octobre. [3] Y compris l'épargne. [4] Fin janvier 1924.

Table VII (*continued*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS
AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.
(000,000's omitted.)

1923				1924				Description		Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII			
65	70	91	113	114	108	109	86	Deposits: Government.	Chartered Banks.	**Canada**
490	531	522	560	494	529	498	595	Other: Sight.		
1218	1214	1179	1180	1193	1189	1178	1238	Other: Time.		
44	36	42	34	36	36	41	35	Foreign corresp.		
1817	1851	1834	1887	1837	1862	1826	1954	TOTAL.		
31	31	32	33	34	34	33	33	Deposits.	Savings Banks: Government.	
59	60	61	61	65	64	64	65	»	Private.	
90	91	93	94	99	98	97	98	TOTAL.		
337	256	238	186	238	129	233	166	Deposits Government.	Member Banks of the Federal Reserve System in certain leading cities.	**United States**
11082	11104	10891	11034	11246	11994	12870	13254	Other: Sight.		
3949	4000	4020	4072	4230	4419	4675	4849	Time.		
15368	15360	15149	15292	15714	16542	17778	18269	TOTAL.		
132	132	133	132	133	133	134	133	Savings deposits.	Postal Savings System.	
1154	1137	1108	1229	1263	1271	1272	1294	Current and deposit accounts.	Banco de la Nación.	**Argentine**
2099	2154	2108	[1] 1940	1932	1922	1888	1921	» »	Other Banks.	
43	46	49	53	56	58	60	63	Deposits.	P.O.SavingsBank	
								C. and dep. accnts.	Banco de la Nación.	**Bolivia**
	17.5		16.2		16.8		14.9	Sight.		
	1.7		2.1		1.9		3.1	Time.		
	0.9		1.0		1.1		1.4	Savings.		
	20.1		19.3		19.8		19.4	TOTAL.		
	11.9		12.1		13.3		13.7	Current accounts.	2 Banks.	
	18.4		17.7		18.5		17.6	Time deposits [4].		
	30.3		29.8		31.8		31.3	TOTAL.		
			[3] 355	378	386	389	405	Deposits.	Savings Banks.	**Chile**

[1] End of February 1924. [2] End of October. [3] Including savings deposits. [4] End of January 1924.

Tableau VII (*fin*).

DÉPOTS COMMERCIAUX ET D'ÉPARGNE

A LA FIN DE 1919, 1920, 1921 ET DE CHAQUE TRIMESTRE DE 1922, 1923 et 1924.

(En millions.)

Pays	Etalon monétaire Unit of currency	Description		1919	1920	1921	1922			
				31-XII	31-XII	31-XII	31-III	30-VI	30-IX	31-XII
Equateur	Sucre	6 Banques	Comptes courants	10.0	12.1	11.1	14.2	12.9	11.6	12.2
			Dépôts à terme .	4.9	5.9	6.3	7.4	6.8	7.8	7.6
			TOTAL .	14.9	18.0	17.4	21.6	19.7	19.4	19.8
Guatemala	Peso	6 Banques	Comptes courants et dépôts: *or* . . .	0.3	0.3	0.2		0.3		0.4
			Comptes courants et dépôts: *papier* .	100.8	55.7	39.9		56.5		65.5
Pérou	Libra	Banques de dépôts et d'escompte	Comptes courants et dépôts:							
			à vue . . .	8.21	8.48	7.77	7.75	8.06	6.81	7.54
			à terme . .	6.27	7.17	5.98	5.71	5.70	5.63	5.85
			TOTAL .	14.48	15.65	13.75	13.46	13.76	12.44	13.39
		Caisses d'épargne	Dépôts.	0.54	0.65	0.70	0.71	0.72	0.75	0.81
Salvador	Colon	3 Banques	comptes courants et correspondants	9.0	3.8	7.2		6.9		8.9
			Dépôts.	0.3	0.4	0.7		0.2		0.2
			TOTAL .	9.3	4.2	7.9		7.1		9.1
Uruguay	Peso	Banque de la République	Comptes courants:							
			Officiels . . .	6.5	9.2	11.1	11.4	10.3	12.7	11.5
			Privés . . .	24.5	22.0	15.5	16.0	16.4	15.6	16.1
			Dépôts à terme .	1.5	1.6	2.8	1.8	1.8	2.6	1.9
			Dépôts d'épargne	11.9	13.4	17.2	18.3	19.4	20.1	20.7
			TOTAL .	44.4	46.2	46.6	47.5	47.9	51.0	50.2
		Autres Banques[1]	Comptes courants	37.8	29.7	32.1	32.2	27.6	27.7	28.2
			Dépôts.	31.6	35.8	43.0	41.2	39.3	38.7	38.5
			TOTAL .	69.4	65.5	75.1	73.4	66.9	66.4	66.7
		Toutes les Banques	TOTAL général .	113.8	111.7	121.7	120.9	114.8	117.4	116.9
Venezuela	Bolivar	4 Banques	Comptes courants et dépôts:							
			Gouvernement	45.5	72.4	35.5		34.5		41.9
			Autres . . .	11.4	15.3	13.1		14.5		13.4
			Epargne	0.9	1.1	1.3		1.3		1.4
			TOTAL .	57.8	88.8	49.9		50.3		56.7

[1] Moyennes mensuelles.

Table VII (*concluded*).

COMMERCIAL AND SAVINGS BANKS DEPOSITS

AT THE END OF 1919, 1920, 1921 AND THE END OF EACH QUARTER IN 1922, 1923 and 1924.

(000,000's omitted.)

1923				1924				Description		Country
31–III	30–VI	30–IX	31–XII	31–III	30–VI	30–IX	31–XII			
12.4	13.6	13.2	11.6	12.4	10.7	9.9	11.5	Current accounts.	6 Banks.	**Ecuador**
7.6	7.1	7.3	7.7	8.0	9.6	8.6	8.0	Time deposits.		
20.0	20.7	20.5	19.3	20.4	20.3	18.5	19.5	TOTAL.		
0.3	0.3		0.3		1.4		1.0	*Gold.* Current and deposit accounts:	6 Banks.	**Guatemala**
62.6	61.4		64.9		73.4		63.4	*Paper.* Current and deposit accounts:		
								Current and deposit accounts:	Deposit and Discount Banks.	**Peru**
7.19	7.32	7.31	7.91	8.17	9.45	8.64	9.32	Demand.		
5.86	5.92	5.95	6.23	6.37	6.51	6.54	7.21	Time.		
13.05	13.24	13.26	14.14	14.54	15.96	15.18	16.53	TOTAL.		
0.82	0.82	0.85	0.94	0.97	1.04	1.14	1.28	Deposits.	Savings Banks.	
	6.5		8.0		3.7		9.8	Current accounts and correspond.	3 Banks.	**Salvador**
	0.4		0.2		0.6		0.6	Deposits.		
	6.9		8.2		4.3		10.4	TOTAL.		
								Current accounts:	Bank of the Republic.	**Uruguay**
24.1	24.0	23.0	9.5	24.6	24.3		24.8	Official.		
			14.5					Private.		
23.2	23.9	24.4	2.6	25.9	27.2		26.9	Time deposits.		
			22.6					Savings deposits.		
47.3	47.9	47.4	49.2	50.5	51.5		51.7	TOTAL.		
28.5	34.2	32.3	33.2	32.1	27.3		26.2	Current accounts.	Other Banks[1].	
38.0	34.9	33.6	31.0	29.3	28.2		25.4	Deposits.		
66.5	69.1	65.9	64.2	61.4	55.5		51.6	TOTAL.		
113.8	117.0	113.3	113.4	111.9	107.0		103.3	Grand TOTAL.	All Banks.	
								Current and deposit accounts:	4 Banks.	**Venezuela**
	50.1		51.9		65.5			Government.		
	13.4		13.1		15.0			Other.		
	1.5		1.8		1.8			Savings.		
	65.0		66.8		82.3			TOTAL.		

[1] Monthly average.

TABLEAU VIII.

NOMBRES INDICES DES PRIX DE GROS: *a*) RÉSULTATS PUBLIÉS

Pays Country	ALLEMAGNE					
Source	Officiel — Official			Berliner Tageblatt	Industrie- und Handelszeitung	*Officiel Official*
	Total	Export	Import			
Base	1913			1913-1914	Fin—End 1913	1913
Moyennes Averages				(*c*)	(*c*)	*c*) *d*)
1913	100	100	100	100	100	*100*
1914	106	—	—		—	—
1915	142	—	—	—	—	—
1916	153	—	—	—	—	—
1917	179	—	—	—	—	—
1918	217	—	—	—	—	—
1919	415	385	558	—	—	—
1920	1,486	1,253	2,652	—	—	—
1921	1,911	1,786	2,533	—	—	—
1922	34,182	29,655	56,818	—	172,620	*167,030*
1923	*a*) *** (16,620)	*a*) *** (15,889)	*a*) *** (20,266)	*a*) ***155,100	*a*) ***143,450	*a*) ***122,400
1924	*b*) (122.5)	*b*) (113.4)	*b*) (168.2)	*b*) 137.6	*b*) 136.3	*b*) *134.3*
1922	*a*)	*a*)	*a*)	*a*)	*a*)	*d*)
I	3,665	3,383	5,075	—	3,950	—
II	4,103	3,763	5,800	—	4,290	—
III	5,433	5,027	7,463	—	5,520	—
IV	6,355	5,985	8,203	—	6,420	—
V	6,458	6,026	8,617	—	6,890	—
VI	7,030	6,540	9,479	—	7,640	—
VII	10,059	9,300	13,854	—	10,830	*14,662*
VIII	19,202	16,545	32,491	—	19,880	*27,957*
IX	28,698	25,815	43,113	—	30,287	*37,972*
X	56,601	49,853	90,343	—	59,433	*99,622*
XI	115,101	95,290	214,150	—	132,464	*149,510*
XII	147,480	128,330	243,230	—	172,620	*167,030*
1923						
I	* 278	* 239	* 476	* 300	* 337	* *597*
II	* 558	* 494	* 880	* 704	* 708	* *512*
III	* 489	* 450	* 682	* 638	* 619	* *484*
IV	* 521	* 476	* 747	* 655	* 657	* *624*
V	* 817	* 708	* 1,360	* 967	* 1,015	* *1,239*
VI	* 1,939	* 1,703	* 3,117	* 2,159	* 2,372	* *3,383*
VII	* 7,479	* 6,970	* 10,024	* 5,982	* 7,809	* *18,351*
VIII	* 94,404	* 86,777	* 132,539	* 109,016	* 115,346	* *169,511*
IX	** 2,395	** 2,230	** 3,240	** 2,793	** 3,071	** *8,450*
X	** 709,484	** 670,000	** 930,000	** 848,600	** 773,134	** *1,870,000*
XI	*** 72,571	*** 70,680	*** 81,960	*** 89,100	*** 77,280	*** *142,290*
XII	*** 126,156	*** 119,300	*** 160,300	*** 155,100	*** 143,450	*** *122,400*
1924	*b*)	*b*)	*b*)	*b*)	*b*)	*b*)
I	117.3	108.3	162.5	145.8	133.65	*114.8*
II	116.2	104.1	176.3	143.4	133.22	*118.0*
III	120.7	108.2	182.8	144.2	135.85	*122.0*
IV	124.1	111.7	185.6	145.7	137.92	*124.6*
V	122.5	112.2	173.8	142.7	131.37	*118.4*
VI	115.9	106.1	165.0	134.5	124.85	*112.6*
VII	115.0	106.4	158.3	127.9	119.35	*118.5*
VIII	120.4	113.0	157.4	129.4	123.25	*120.9*
IX	126.9	120.8	157.7	132.3	129.05	*131.5*
X	131.2	125.2	160.9	134.0	130.63	*128.5*
XI	128.5	120.8	167.1	135.1	131.90	*128.5*
XII	131.3	123.4	170.9	137.6	136.30	*134.3*

a) Pour le chiffre annuel de 1923 ***, il faut ajouter neuf zéros, pour les huit premiers mois de 1923 *, trois zéros, pour IX et X **, six et pour XI et XII ***, neuf zéros. Tous les chiffres mensuels, excepté ceux de la dernière colonne, représentent des moyennes. *b*) Chiffres de base exprimés en marks-or. *c*) Les chiffres annuels se réfèrent à la fin des années. *d*) Chiffres aux dates se rapprochant de celles de la *Frankfurter Zeitung*; les dates exactes pour 1923 sont: 5.II, 5.III, 5.IV, 5.V, 5.VI, 3.VII, 31.VII, 28.VIII, 2.X, 30.X, 27.XI, 2.I.

a) For the annual figure for 1923 *** 000,000,000's omitted, for the first eight months of 1923 * 000's, for IX and X ** 000,000's and for XI and XII *** 000,000,000's. All monthly figures, except those in the last column, represent averages. *b*) Base figures expressed in gold marks. *c*) The yearly figures refer to the end of the years *d*) Figures referring to dates near to those of the *Frankfurter Zeitung*; for the exact dates see French footnote *d*) above.

TABLE VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*a*) PUBLISHED RESULTS

GERMANY			AUTRICHE AUSTRIA	BELGIQUE BELGIUM	DANEMARK DENMARK		Pays Country
Frankfurter Zeitung							
Total	Prod.	Import.	Officiel Official	Officiel Official	Officiel Official	Finans-tidende	Source
1.VII.1914			1.VI.1914	Chain system	1891-1900	1.VII.1912-30.VI.1914	Base
a)	*a*)	*a*)	*a*)			*a*)	Moyennes Averages
—	—	—	—	—	129	—	1913
100	100	100	100	—	145	134	1914
—	—	—	—	—	184	149	1915
—	—	—	—	—	244	206	1916
—	—	—	—	—	322	284	1917
—	—	—	—	—	392	292	1918
1,965	1,258	2,528	—	—	421	340	1919
2,130	1,628	2,189	—	—	503	341	1920
4,217	3,173	4,094	—	—	288	178	1921
205,417	150,657	222,115	1,614,200	—	220	181	1922
*** 140,100	*** 130,770	*** 144,540	1,818,100	—	240	210	1923
146.9	136.7	139.4	2,075,400	—	291	234	1924
			d)	*e*)		*f*)	1922
4,599	—	—	117,100	98	—	177	I
5,420	—	—	131,000	97	—	182	II
6,703	5,199	6,341	136,300	99	—	178	III
7,384	—	—	153,500	98	—	177	IV
7,851	—	—	194,500	101	—	179	V
9,102	7,653	8,584	318,400	102	—	180	VI
13,978	—	—	562,800	101	—	180	VII
29,116	—	—	1,206,600	100	—	178	VIII
43,223	30,383	48,120	1,771,100	101	—	176	IX
94,492	62,346	126,719	1,753,200	106	—	180	X
167,412	120,333	189,932	1,669,500	106	—	182	XI
205,417	150,657	222,115	1,614,200	100	—	181	XII
b)	*b*)	*b*)					1923
* 716	* 384	* 986	1,698,600	107	—	192	I
* 677	* 608	* 677	1,721,500	108	—	199	II
* 643	* 560	* 611	1,852,100	103	—	200	III
* 824	* 662	* 892	1,875,800	99	—	204	IV
* 1,498	* 1,044	* 1,735	1,894,500	99	—	202	V
* 3,990	* 3,300	* 4,033	1,833,900	102	—	207	VI
* 28,360	* 23,202	* 26,929	1,789,300	104	—	207	VII
* 306,336	* 186,963	* 281,895	1,657,400	105	—	202	VIII
** 18,295	** 15,644	** 14,337	1,779,400	97	—	205	IX
** 4,907,150	** 3,866,700	** 5,555,000	1,759,700	100	—	207	X
*** 164,960	*** 149,230	*** 155,250	1,779,500	103	—	210	XI
*** 140,100	*** 130,770	*** 144,540	1,818,100	102	—	210	XII
c)	*c*)	*c*)					1924
137.0	—	131.0	1,874,800	106	—	223	I
142.9	125.7	134.2	1,915,800	110	—	227	II
147.3	126.6	129.8	1,912,000	98	—	228	III
147.7	128.3	127.5	1,946,500	89	—	225	IV
140.9	116.9	124.2	1,946,500	100	—	219	V
130.1	103.9	117.2	1,828,200	101	—	220	VI
134.2	112.5	127.4	1,913,300	100	—	233	VII
133.2	111.6	128.6	2,013,600	97	—	231	VIII
141.3	126.7	128.9	1,937,300	100	—	234	IX
140.7	130.0	134.8	2,008,600	100	—	231	X
140.9	133.4	134.9	2,076,600	103	—	232	XI
146.9	136.7	139.4	2,075,400	100	—	234	XII

a) Les chiffres annuels se réfèrent à la fin des années. Pour l'explication des astérisques utilisés pour la *Frankfurter Zeitung* dont tous les chiffres mensuels se rapportent au début du mois suivant, voir note *a*) de la page précédente. *b*) Les dates exactes pour les mois à partir de février 1923 sont : 3.III, 7.IV, 5.V, 5.VI, 2.VII, 3.VIII, 31.VIII, 1.X, 1.XI, 29.XI et 3.I. (Voir la dernière colonne de la page précédente). *c*) Chiffres de base exprimés en marks or; les chiffres de la première colonne sont revisés. *d*) 15 du mois. *e*) Le chiffre de chaque mois exprimé en % de celui du mois précédent; moyennes de la seconde quinzaine des mois. *f*) 1er du mois suivant.

a) The yearly figures refer to the end of the years. For explanation of asterisks used for the *Frankfurter Zeitung* the monthly figures of which refer to the beginning of the following month, see note *a*) of the preceding page. *b*) The exact dates from February 1923 are: 3.III, 7.IV, 5.V, 5.VI, 2.VII, 3.VIII, 31.VIII, 4.X, 1.XI, 29.XI and 3 I. (See last column of the preceding page) *c*). Basic figures expressed in gold marks; the figures in the first column are revised. *d*) 15th of month. *e*) Each month as percentage of preceding month; average of second half of month. *f*) First day of following month.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *a*) RÉSULTATS PUBLIÉS *(suite)*.

Pays / Country	ESPAGNE SPAIN	ESTHONIE ESTHONIA	FINLANDE — FINLAND				FRANCE				
Source	Officiel Official	Revaler Bote	Officiel — Official				Officiel Official	Federal Reserve Board			
			Total	Production	Import.	Export.		Tous les Art. All commod.	Art. prod.	Art. import.	Art. export.
Base	1913	1913-1914	1913 *d*)				1901-1910	1913			
Moyennes Averages											
1913	100	100	100	100	100	100	115.6	100	100	100	100
1914	101		—	—	—	—	117.9	—	—	—	—
1915	119	—	—	—	—	—	161.6	—	—	—	—
1916	141	—	—	—	—	—	217.6	—	—	—	—
1917	166	—	—	—	—	—	302.4	—	—	—	—
1918	207	—	—	—	—	—	392.1	—	—	—	—
1919	204	—	—	—	—	—	411.8	—	—	—	—
1920	221	—	1,183	1,092	1,338	1,187	588.9	512	507	536	541
1921	190	—	1,263	1,180	1,380	1,287	398.8	344	350	313	305
1922	176	—	1,219	1,146	1,297	1,267	377.6	319	321	310	312
1923	172	*b*) 116.7	1,095	1,067	1,083	1,143	484.3	394	384	442	406
1924	183	*b*) 145.0	1,100	1,096	1,121	1,084	564.7	446	429	529	464
1922	*a*)	*c*)	*c*)	*c*)	*c*)	*c*)	*e*)	*c*)	*c*)	*c*)	*c*)
I	180	—	1,263	1,159	1,386	1,321	362.7	306	309	295	293
II	179	—	1,254	1,155	1,373	1,310	354.2	303	306	286	291
III	177	—	1,244	1,139	1,379	1,294	355.4	307	313	282	288
IV	180	—	1,260	1,154	1,371	1,337	362.6	320	328	282	290
V	178	—	1,241	1,148	1,348	1,296	366.2	324	332	288	295
VI	178	—	1,229	1,159	1,316	1,265	375.7	325	332	295	309
VII	175	—	1,219	1,139	1,312	1,263	375.8	328	333	308	314
VIII	175	—	1,230	1,162	1,289	1,289	382.9	320	322	309	312
IX	174	—	1,224	1,183	1,258	1,258	380.7	315	314	320	318
X	172	—	1,186	1,149	1,221	1,214	390.0	315	312	333	325
XI	174	—	1,140	1,108	1,176	1,155	407.0	329	322	362	355
XII	172	—	1,149	1,105	1,159	1,216	418.4	337	332	361	352
1923											
I	170	—	1,134	1,064	1.152	1,246	447.3	346	339	384	365
II	170	—	1,127	1,067	1,148	1,214	487.6	380	372	420	405
III	171	—	1,108	1,061	1,137	1,162	490.2	398	389	442	421
IV	174	—	1,096	1,049	1,128	1,145	479.4	390	384	420	403
V	171	—	1,093	1,053	1,103	1,156	469.9	386	379	420	381
VI	170	—	1,095	1,078	1,073	1.149	472.3	394	386	434	385
VII	170	—	1,080	1,068	1,049	1,139	470.1	391	382	434	384
VIII	171	—	1,080	1,089	1,016	1,140	477.5	391	381	445	393
IX	174	—	1.089	1,112	1,031	1,119	489.7	404	393	460	419
X	171	—	1,077	1,099	1,053	1,066	486.1	404	394	457	422
XI	173	—	1,070	1,081	1,054	1,069	512.0	416	403	482	443
XII	176	116.7	1,096	1,100	1,068	1,121	530.1	427	410	509	460
1924											
I	178	122.0	1,071	1,062	1,061	1,099	571.1	445	423	548	489
II	180	122.5	1,078	1,060	1,079	1,109	628.5	469	443	595	522
III	180	126.4	1,094	1,075	1,104	1,115	577.2	483	460	596	524
IV	184	128.7	1,095	1,074	1,111	1,114	520.2	428	418	480	434
V	179	130.4	1,090	1,073	1,107	1,101	530.0	428	417	481	425
VI	179	130.0	1,088	1,092	1,092	1,078	537.9	442	431	496	445
VII	182	143.9	1,085	1,002	1,056	1.090	556.0	440	427	503	451
VIII	182	150.8	1,111	1,110	1,129	1,092	550.9	442	427	511	451
IX	184	154.2	1,117	1,143	1,132	1,056	561.3	436	420	516	443
X	186	149.9	1,114	1,133	1,172	1,023	574.6	442	423	534	454
XI	181	148.1	1,120	1,112	1,202	1,049	582.0	449	430	541	461
XII	198	145.0	1,139	1,120	1,220	1,087	586.3	451	431	545	463

a) 15 du mois. *b*) Fin d'année. *c*) Moyennes mensuelles. *d*) Chiffre de chaque mois basé sur le chiffre du mois correspondant en 1913. *e*) Fin du mois.

a) 15th of month. *b*) End of year. *c*) Monthly averages. *d*) Figure for each month based on the figure for the corresponding month of 1913. *e*) End of month.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*a*) PUBLISHED RESULTS *(continued)*.

FRANCE		HONGRIE HUNGARY	ITALIE — ITALY						Pays Country
Bulletin Quotidien	Officiel Official Alsace et Lorraine	Officiel Official	Bachi	Bachi Total	Bachi Production	Bachi Import.	Bachi Export.	Camera di Commercio di Milano	Source
1913	I. VII. 1914	1913	1921	1921				1913	Base
			e)	*g)*	*g)*	*g)*	*g)*		Moyennes Averages
100	—	1	—	—	—	—	—	100	1913
—	100	—	—	—	—	—	—	—	1914
—	—	—	—	—	—	—	—	—	1915
—	—	—	—	—	—	—	—	—	1916
—	—	—	—	—	—	—	—	—	1917
—	—	—	—	—	—	—	—	—	1918
—	*c)* (372)	—	—	—	—	—	—	—	1919
—	(529)	—	—	—	—	—	—	—	1920
—	(353)	—	100	100	100	100	100	*h)* 516.50	1921
—	(346)	—	97.4	95.6	95.1	95.7	97.5	529.35	1922
a) 425.46	(433)	*a)* 7,915	99.5	96.3	93.4	100.6	99.5	535.78	1923
a) 447.40	(511)	*a)* 23,466	101.3	95.5	92.4	103.0	98.8	553.51	1924
b)	*b)*	*d)*	*f)*	*f)*	*f)*	*f)*	*f)*	*d)*	1922
—	344	—	100	98.9	99.8	97.6	98.5	549.94	I
—	336	—	97.4	96.2	97.0	95.1	96.4	535.62	II
—	332	—	92.4	91.0	90.5	90.9	94.1	512.65	III
—	333	—	91.2	89.6	90.6	88.3	88.7	499.25	IV
—	338	—	90.7	89.2	88.8	88.9	92.1	499.16	V
—	346	—	93.1	91.2	90.6	90.6	96.0	504.48	VI
—	348	—	96.6	94.5	93.7	93.9	101.0	524.54	VII
—	345	—	98.9	96.6	95.4	97.1	101.8	534.06	VIII
—	343	—	100.7	98.7	97.2	100.2	101.9	543.84	IX
—	350	—	104.0	101.8	99.4	105.5	102.4	554.17	X
—	362	—	103.2	100.8	99.9	102.7	99.4	558.22	XI
—	373	—	100.4	98.1	98.6	97.7	97.4	536.24	XII
									1923
—	398	—	99.6	97.2	96.8	98.2	95.5	523.52	I
—	430	—	100.8	98.2	97.1	99.9	98.3	533.68	II
—	428	—	101.6	98.8	97.2	101.7	98.7	547.47	III
—	414	—	101.9	99.0	97.3	100.4	103.3	549.68	IV
—	406	—	100.5	97.6	95.8	99.1	102.9	542.82	V
—	413	—	98.5	95.6	93.8	99.2	93.8	539.24	VI
—	417	—	98.0	94.8	91.0	100.5	98.6	538.65	VII
—	439	—	98.1	94.8	90.6	100.7	99.3	527.04	VIII
—	444	—	98.6	95.2	91.2	100.5	100.7	530.60	IX
404.07	448	—	97.6	94.1	89.9	99.8	98.9	532.79	X
406.86	463	—	99.0	95.1	89.7	103.0	100.3	529.05	XI
425.46	492	7,915	100	95.8	89.9	103.9	103.5	534.80	XII
									1924
432.91	535	10,266	98.8	94.9	90.4	101.8	100.3	543.09	I
448.65	578	18,391	99.2	95.4	90.7	102.9	99.5	543.11	II
480.57	519	20,767	100.2	96.2	91.5	102.7	102.9	549.34	III
449.87	475	21,346	100.2	96.0	91.9	102.4	100.4	550.54	IV
424.98	501	22,696	98.8	94.5	90.1	101.0	100.1	546.55	V
451.74	499	22,078	98.0	93.5	89.2	101.2	94.9	536.71	VI
426.99	505	22,945	98.3	93.6	89.0	101.8	94.9	*i)* 544.88	VII
435.08	496	22,420	99.1	94.0	89.1	102.2	96.8	546.05	VIII
424.64	497	22,366	100.5	95.0	91.3	101.5	95.8	546.97	IX
432.66	504	22,852	104.2	98.3	95.4	103.6	97.4	563.19	X
439.59	507	23,095	107.5	101.0	98.6	105.5	99.4	578.30	XI
447.40	515	23,466	110.8	103.8	101.0	108.8	103.2	593.39	XII

a) Fin d'année. *b)* Début du mois suivant. *c)* Moyenne des neuf derniers mois. *d)* Moyennes mensuelles. *e)* Série arithmétique. *f)* Fin du mois. *g)* Série géométrique. *h)* Moyenne des huit derniers mois. *i)* Depuis juillet, modification de la liste des marchandises.

a) End of year. *b)* Beginning of the following month. *c)* Average for the last nine months. *d)* Monthly averages. *e)* Arithmetic series. *f)* End of month. *g)* Geometric series. *h)* Average for the last eight months. *i)* Since July, modification of the list of commodities.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *a*) RÉSULTATS PUBLIÉS *(suite)*.

Pays Country	NORVÈGE NORWAY			PAYS-BAS NETHERLANDS	POLOGNE POLAND	ROYAUME - UNI		
Source	Officiel Official	Farmand	Økonomisk Revue	Officiel Official	Officiel Official	Board of Trade	Statist	Economist
Base	1913	1913	31.XII.1913-30.VI.1914	1901 - 1910	I. 1914	1913	1867 - 1877	1901 - 1905
Moyennes Averages			*c)*		*c)*			
1913	100	100	—	112	100	100	85	(2,693)
1914	—	104.5	115	119	—	—	85	(2,658)
1915	—	148.7	159	163	—	—	108	(3,314)
1916	—	202.9	233	256	—	—	136	(4,322)
1917	—	296.6	341	312	—	—	175	(5,496)
1918	—	345.1	345	437	—	—	192	(6,057)
1919	—	330.6	322	338	—	—	206	(6,332)
1920	—	395.0	377	319	—	307.3	251	(7,626)
1921	—	278.3	269	199	57,046	197.2	155	(4,874)
1922	—	221.3	220	174	346,353	158.8	131	(4,295)
1923	232	223.3	244	165	142,300,700	158.9	129	(4,365)
1924	267	260.4	278	172	*e)* 118.3	166.2	140	(4,684)
1922	*a)*	*b)*	*b)*	*d)*	*b)*	*d)*	*b)*	*b)*
I	—	239.1	260	177	59,231	164.0	132.5	4,284
II	—	236.9	253	179	63,445	161.8	132.2	4,259
III	—	219.3	240	177	73,729	160.0	133.3	4,297
IV	—	209.9	236	175	75,106	160.1	134.8	4,285
V	—	208.1	231	178	78,634	160.6	135.5	4,372
VI	—	217.4	230	178	87,694	159.9	135.6	4,389
VII	—	227.4	232	177	101,587	160.3	134.0	4,396
VIII	—	219.1	227	170	135,786	156.3	129.6	4,257
IX	—	212.7	225	166	152,365	154.3	127.9	4,189
X	—	211.6	221	169	201,326	155.2	130.1	4,260
XI	—	211.9	221	172	275,647	157.6	130.6	4,283
XII	—	211.0	220	169	346,353	155.8	129.1	4,264
1923								
I	223	207.0	220	170	544,690	157.0	130.2	4,324
II	222	209.8	224	169	859,110	157.5	131.9	4,402
III	227	214.0	229	170	988,500	160.3	132.7	4,392
IV	229	214.8	231	170	1,058,920	162.0	134.0	4,440
V	232	224.0	233	163	1,125,350	159.8	132.2	4,412
VI	232	223.2	230	163	1,881,410	159.3	127.9	4,301
VII	231	226.2	235	159	3,069,970	156.5	124.8	4,182
VIII	233	225.1	231	156	5,294,680	154.5	125.0	4,188
IX	232	231.3	234	160	7,302,200	157.8	127.8	4,297
X	235	234.1	237	164	27,380,680	158.1	127.7	4,320
XI	243	241.4	242	169	67,943,700	160.8	132.4	4,541
XII	247	241.8	244	170	142,300,700	163.4	133.2	4,580
1924								
I	251	249.6	250	171	252,167,700	165.4	137.2	4,662
II	261	259.0	262	174	248,429,600	167.0	138.8	4,668
III	264	260.0	266	171	245,277,900	165.4	137.0	4,640
IV	263	259.3	267	169	242,321,800	164.7	136.8	4,637
V	261	251.9	263	168	*e)* 104.0	163.7	136.4	4,527
VI	262	252.6	264	167	100.6	162.6	136.3	4,531
VII	265	263.9	271	166	102.3	162.6	138.4	4,657
VIII	271	256.6	274	167	109.2	165.2	138.0	4,626
IX	272	265.0	275	175	112.4	166.9	141.3	4,729
X	273	273.4	276	178	116.4	170.0	146.1	4,847
XI	276	277.3	277	179	116.6	169.8	145.5	4,833
XII	279	275.3	278	177	118.3	170.1	147.7	4,855

a) 15 du mois. *b*) Fin du mois. *c*) Fin d'année. *d*) Moyennes mensuelles. *e*) Chiffres de base en zlotys. Les chiffres correspondants pour février, mars et avril 1924, sont, respectivement: 111,8, 110,4 et 109,0.

a) 15th of month *b*) End of month. *c*) End of year. *d*) Monthly averages. *e*) Base figures in Zlotys. The corresponding figures for February, March and April are: 111.8, 110.4 and 109.0 respectively.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*a*) PUBLISHED RESULTS *(continued)*.

UNITED KINGDOM						RUSSIE RUSSIA	S. H. S.	Pays Country
Times	Financial Times	Federal Reserve Board				"Gosplan"	Privredni Pregled	Source
		Total	Prod.	Import.	Export.			
1913	1923	1913				1913	1913	Base
								Moyennes Averages
100	66.6	100	100	100	100	1	100	1913
—	—	—	—	—	—	—	—	1914
—	—	—	—	—	—	—	—	1915
—	—	—	—	—	—	—	—	1916
—	—	—	—	—	—	—	—	1917
—	—	—	—	—	—	—	—	1918
—	—	241	238	247	275	—	—	1919
(321.8)	192.8	310	315	294	438	—	—	1920
(189.5)	114.0	198	207	171	183	—	—	1921
(158.0)	97.8	165	169	155	155	*c)* * 15,790	—	1922
(161.8)	100.0	170	170	168	177	*c)* * 3,781,000	—	1923
(171.4)	105.1	176	177	175	180	*e)* 1.72	(2016)	1924
a)	*b)*	*b)*	*b)*	*b)*	*b)*	*d)*		
158.6	97.1	167	174	149	158	—	—	1922 I
155.9	96.2	165	171	148	151	—	—	II
156.2	97.1	166	172	147	153	—	—	III
157.9	97.8	165	171	148	152	—	—	IV
158.0	99.9	169	175	153	155	—	—	V
158.7	100.5	167	172	154	158	—	—	VI
158.8	100.0	169	172	158	158	* 4,730	—	VII
156.2	97.3	166	170	155	159	* 4,850	—	VIII
157.9	95.9	163	165	157	154	* 6,180	—	IX
158.8	96.4	160	160	161	149	* 9,670	—	X
160.7	98.4	162	161	165	154	* 12,270	—	XI
158.6	98.5	164	164	163	157	* 15,790	—	XII
159.7	99.4	165	165	164	165	* 20,420	—	1923 I
162.0	100.1	168	168	166	172	* 26,170	—	II
163.6	102.3	173	174	169	185	* 31,790	—	III
164.9	103.0	175	176	170	191	* 44,640	—	IV
162.5	100.8	173	175	167	189	* 62,900	—	V
158.8	98.6	171	173	167	185	* 97,960	—	VI
155.6	97.9	168	169	164	173	* 152,240	—	VII
156.6	96.3	164	165	162	166	* 275,290	—	VIII
160.1	98.6	165	164	167	167	* 549,010	—	IX
161.1	98.5	166	165	167	167	* 873,000	—	X
168.1	101.8	171	171	173	177	* 1,731,000	—	XI
169.1	103.6	177	175	184	187	* 3,781,000	—	XII
173.8	104.7	178	177	179	186	*e)* 1.87	2,034	1924 I
172.5	106.2	180	180	182	185	1.93	2,101	II
169.0	103.7	180	180	178	185	1.81	2,040	III
168.0	103.3	181	183	178	188	1.75	1,973	IV
165.3	101.0	177	179	171	181	1.66	1,911	V
164.7	101.2	174	176	170	179	1.69	1,984	VI
167.5	102.1	174	175	171	177	1.75	1,995	VII
169.1	104.0	173	173	174	176	1.73	2,049	VIII
173.4	105.6	172	173	169	172	1.64	1,978	IX
176.8	108.7	175	175	174	174	1.64	1,981	X
177.1	109.6	176	176	178	178	1.68	2,037	XI
179.3	109.7	177	177	179	180	1.72	2,112	XII

* En milliers.

a) Fin du mois. *b*) Moyennes mensuelles. *c*) Fin d'année. *d*) Début du mois suivant. *e*) Chiffre de base en roubles tchervonetz. les chiffres annuels correspondants pour 1922 et 1923 sont 0,96 et 1,69.

* ooo's omitted.

a) End of month. *b*) Monthly averages. *c*) End of year. *d*) Beginning of the following month. *e*) Base figures in chervonetz roubles; the corresponding yearly figures for 1922 and 1923 are 0.96 and 1.69 respectively.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *a*) RÉSULTATS PUBLIÉS *(suite)*.

Pays Country	SUÈDE — SWEDEN						SUISSE Switzerland	TCHÉCOSLOVAQUIE CZECHOSLOVAKIA			
Source	Officiel Official	Silver-stolpe	Svenska Dagbladet				Dr. Lorenz	Officiel — Official			Narodni Listy
			Total	Product.	Import.	Export.		Total	Import.	Export.	
Base	1913	I. VII. 1913-30. VI. 1914	1913				VII. 1914	VII. 1914			VII. 1914
Moyennes Averages											
1913	100	102	100	100	100	100	—	—	—	—	—
1914	—	*b*) 116	—	—	—	—	100	100	100	100	100
1915	—	145	—	—	—	—	—	—	—	—	—
1916	—	185	—	—	—	—	—	—	—	—	—
1917	—	244	—	—	—	—	—	—	—	—	—
1918	—	339	—	—	—	—	—	—	—	—	—
1919	—	330	—	—	—	—	—	—	—	—	—
1920	359	347	356	346	420	381	—	—	—	—	—
1921	222	211	218	226	170	209	(191.2)	*e*) 1,653	*e*) 1,571	*e*) 1,689	*e*) 1,843
1922	173	162	163	166	140	160	(167.5)	1,334	1,223	1,379	1,300
1923	163	157	159	161	148	168	(180.6)	977	974	989	955
1924	162	155	159	161	142	154	(174.6)	997	999	1,005	969
1922	*a*)	*c*)	*a*)	*a*)	*a*)	*a*)	*d*)	*d*)	*d*)	*d*)	*a*)
I	181	170	171	175	141	166	172.3	1,504	1,365	1,556	1,617
II	179	166	166	169	142	160	172.4	1,528	1,399	1,575	1,559
III	177	164	163	165	143	160	164.5	1,464	1,307	1,520	1,505
IV	175	165	162	165	138	157	162.1	1,447	1,299	1,505	1,466
V	175	164	162	165	140	151	162.8	1,443	1,329	1,490	1,437
VI	174	164	162	166	139	158	163.9	1,433	1,333	1,477	1,438
VII	173	165	163	166	140	158	164.7	1,364	1,200	1,428	1,375
VIII	173	163	164	167	140	160	165.7	1,140	989	1,193	1,233
IX	170	158	163	167	137	161	164.5	1,043	967	1,074	1,070
X	169	155	159	162	139	162	170.6	1,004	953	1,029	996
XI	163	154	158	161	141	163	171.9	987	948	1,002	967
XII	163	155	158	161	141	164	174.7	991	954	1,009	949
1923											
I	163	156	157	159	144	166	175.3	1,005	984	1,018	973
II	165	158	158	158	156	170	181.0	1,012	1,021	1,018	976
III	168	162	160	159	166	172	185.9	1,012	1,011	1,024	983
IV	168	159	161	161	162	174	186.6	1,003	991	1,019	962
V	166	158	161	162	155	174	181.0	977	956	995	944
VI	164	160	159	161	148	172	179.8	949	944	962	927
VII	162	157	158	161	143	172	175.3	942	922	959	931
VIII	162	163	158	161	140	169	173.4	943	931	957	938
IX	162	155	160	163	141	169	181.1	960	973	967	957
X	161	153	159	162	141	162	181.6	952	970	956	952
XI	160	151	159	161	143	156	182.5	969	986	975	959
XII	160	150	157	160	142	155	183.2	974	986	981	959
1924											
I	161	152	158	160	142	154	183.4	999	988	1,026	981
II	162	153	158	160	145	154	180.1	1,021	1,001	1,037	980
III	162	154	157	159	145	154	181.4	1,008	997	1,019	976
IV	161	156	157	158	146	152	180.4	1,001	986	1,013	974
V	160	151	157	159	140	153	178.3	968	964	974	953
VI	158	149	155	158	136	151	173.3	953	949	960	936
VII	157	148	153	156	135	152	170.6	986	990	990	939
VIII	160	152	156	159	139	156	169.9	982	1,010	983	945
IX	163	153	158	161	138	154	169.0	999	1,017	1,004	954
X	167	162	165	168	141	155	168.5	1,013	1,040	1,016	977
XI	167	162	165	168	145	153	169.8	1,024	1,056	1,023	995
XII	168	163	167	169	148	154	170.8	1,045	1,080	1,042	1,019

a) Moyennes mensuelles. *b*) Juillet à décembre. *c*) 15 du mois. *d*) 1er du mois suivant. *e*) Fin de l'année.

a) Monthly averages. *b*) July to December. *c*) 15th of month. *d*) First day of following month. *e*) End of the year.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*a*) PUBLISHED RESULTS *(continued)*.

CHINE CHINA	INDES ANGLAISES — BRITISH INDIA							Pays Country
Officiel — Official	Officiel — Official			Atkinson	Officiel — Official			
Shanghaï	Total	Import.	Export.		Calcutta	Bombay	Karachi	Source
II.1913	1873			1873	31.VII.1914	VII.1914	VII.1914	Base
								Moyennes Averages
100	143	117	154	182	—	—	—	1913
—	147	114	160	187	100	100	100	1914
—	152	146	155	182	112	—	—	1915
—	184	236	163	185	128	—	—	1916
—	196	262	170	186	147	—	—	1917
—	225	289	199	215	180	236	—	1918
—	276	274	277	301	198	222	—	1919
152.0	281	280	281	302	204	216	201	1920
150.2	236	228	239	273	181	199	179	1921
145.5	235	209	245	266	180	187	161	1922
156.4	220	209	224	259	176	181	148	1923
153.9	—	—	—	—	177	182	154	1924
a)					*b)*	*b)*	*b)*	1922
148.5	—	—	—	—	178	190	172	I
150.0	—	—	—	—	179	187	178	II
151.5	—	—	—	—	182	192	179	III
148.0	—	—	—	—	182	188	165	IV
145.7	—	—	—	—	187	191	163	V
144.1	—	—	—	—	183	192	160	VI
143.9	—	—	—	—	181	190	159	VII
142.0	—	—	—	—	178	188	156	VIII
139.6	—	—	—	—	176	184	149	IX
141.6	—	—	—	—	177	177	151	X
143.2	—	—	—	—	178	179	151	XI
148.5	—	—	—	—	176	175	149	XII
								1923
152.7	—	—	—	—	179	181	147	I
157.5	—	—	—	—	180	177	148	II
158.7	—	—	—	—	181	182	152	III
157.7	—	—	—	—	178	180	152	IV
158.4	—	—	—	—	177	180	149	V
155.2	—	—	—	—	175	180	149	VI
155.4	—	—	—	—	170	178	142	VII
153.1	—	—	—	—	171	176	143	VIII
156.8	—	—	—	—	174	179	146	IX
156.1	—	—	—	—	174	181	146	X
157.3	—	—	—	—	177	186	152	XI
157.5	—	—	—	—	179	188	150	XII
								1924
155.8	—	—	—	—	172	188	149	I
159.5	—	—	—	—	178	188	151	II
157.5	—	—	—	—	179	181	149	III
153.7	—	—	—	—	174	184	153	IV
154.3	—	—	—	—	176	181	150	V
151.8	—	—	—	—	176	185	148	VI
151.5	—	—	—	—	179	184	165	VII
148.8	—	—	—	—	180	184	155	VIII
149.3	—	—	—	—	179	181	157	IX
152.8	—	—	—	—	181	181	161	X
154.9	—	—	—	—	180	176	157	XI
157.4	—	—	—	—	176	176	155	XII

a) Dernier mercredi du mois. *b*) Fin du mois.

a) Last Wednesday in month. *b*) End of month

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *a*) RÉSULTATS PUBLIÉS *(suite)*.

Pays Country	INDES NÉERLANDAISES DUTCH EAST INDIES			JAPON — JAPAN							PALESTINE
Source	Official — Officiel			Banque du Japon Bank of Japan	Asahi Shimbon	Oriental Economist	Federal Reserve Board				Officiel Official
	Total	Import.	Export.	Tokyo	Osaka	Tokyo	Total	Prod.	Import.	Export.	
Base	1913			x. 1900	I. 1914	I. 1913	1913				*d*)
Moyennes Averages	*a*)	*a*)	*a*)			*c*)					
1913	100	100	100	132.3	—	100	100	100	100	100	—
1914	—	—	—	126.3	100	91.6	—	—	—	—	—
1915	—	—	—	127.8	—	103.0	—	—	—	—	—
1916	—	—	—	154.9	—	123.4	—	—	—	—	—
1917	—	—	—	196.4	—	180.3	—	—	—	—	—
1918	—	—	—	259.1	—	217.6	—	—	—	—	—
1919	—	—	—	312.1	—	243.4	235	231	271	254	—
1920	—	—	—	343.2	—	241.7	240	236	267	246	—
1921	182	199	130	265.1	—	193.8	181	186	154	173	64.4
1922	170	186	123	259.1	—	202.3	182	187	159	189	76.3
1923	173	187	133	263.4	(209.44)	193.6	188	189	184	204	84.3
1924	174	185	141	273.2	(222.26)	207.8	200	200	205	200	87.3
1922	*b*)	*b*)	*b*)	*b*)	*b*)	*c*)	*b*)	*b*)	*b*)	*b*)	*b*)
I	—	—	—	272.5	—	207.7	191	198	153	197	66.7
II	—	—	—	269.6	—	206.0	185	192	151	186	71.0
III	—	—	—	265.5	—	203.0	182	187	153	175	74.2
IV	—	—	—	261.0	—	200.5	180	188	151	176	77.3
V	—	—	—	257.0	—	198.6	183	188	157	183	77.8
VI	—	—	—	261.0	—	200.4	187	191	166	192	78.4
VII	—	—	—	266.0	—	202.3	195	200	167	196	76.0
VIII	—	—	—	258.3	—	197.3	187	192	160	189	75.8
IX	—	—	—	255.2	—	190.1	179	183	156	189	75.4
X	—	—	—	252.0	—	191.7	174	177	159	195	77.0
XI	—	—	—	248.6	—	188.3	172	173	166	194	83.3
XII	—	—	—	241.8	194.11	188.7	173	175	165	192	84.8
1923											
I	—	—	—	243.7	198.38	190.2	176	176	175	199	82.7
II	—	—	—	253.9	206.47	198.3	183	183	184	214	83.5
III	—	—	—	259.0	213.10	200.1	185	184	193	212	84.4
IV	—	—	—	259.5	210.48	200.3	185	185	186	214	85.0
V	—	—	—	263.3	212.41	201.1	187	188	180	213	83.8
VI	—	—	—	261.6	210.13	196.8	186	187	184	198	82.6
VII	—	—	—	254.5	206.16	193.6	183	184	173	192	85.8
VIII	—	—	—	251.4	201.40	191.1	179	182	164	185	84.9
IX	—	—	—	278.1	206.18	197.1	191	193	178	196	83.9
X	—	—	—	279.9	210.23	199.0	196	198	187	207	86.4
XI	—	—	—	277.9	216.03	203.9	199	199	199	205	84.9
XII	—	—	—	278.5	222.33	203.0	205	205	205	211	83.4
1924											
I	180	186	159	279.0	221.36	204.7	205	204	211	215	73.5
II	181	186	162	274.8	223.29	204.9	200	199	205	211	76.3
III	180	185	159	272.1	221.11	206.9	200	200	199	207	78.6
IV	178	184	155	273.4	220.44	209.4	201	199	214	198	81.7
V	177	186	143	271.1	219.00	208.8	200	197	216	192	82.9
VI	178	187	142	264.0	213.00	202.4	189	186	208	175	82.2
VII	174	186	132	258.4	207.47	207.8	191	187	208	178	84.2
VIII	177	186	146	264.8	216.06	209.7	196	194	207	194	90.1
IX	177	186	148	273.1	222.36	216.5	198	200	189	200	97.5
X	175	185	144	281.8	229.35	219.8	206	208	200	204	99.9
XI	173	180	149	283.6	236.40	224.2	210	212	202	213	101.1
XII	179	185	154	282.5	237.33	228.9	209	210	202	214	100.1

a) Nouvelle série. *b*) Moyennes mensuelles. *c*) Chiffres annuels: fin juillet; chiffres mensuels: fin du mois. *d*) Jusqu'à 1922, les chiffres de chaque année ou mois sont basés sur les chiffres correspondants de l'année précédente; à partir de 1923, sur les chiffres correspondants de l'année 1922.

a) New series. *b*) Monthly averages. *c*) Yearly figures: end of July; monthly figures: end of month. *d*) Up to 1922 the yearly and monthly figures are based on the corresponding figures of the preceding year; since 1923 on the corresponding figures of 1922.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*a*) PUBLISHED RESULTS *(continued)*.

AUSTRALIE — AUSTRALIA				Nouvelle ZELANDE NEW ZEALAND	UNION DE L'AFRIQUE DU SUD UNION OF SOUTH AFRICA			EGYPTE — EGYPT		Pays Country
Officiel — Official					Officiel — Official			Officiel — Official		
Melbourne	Sydney			Officiel Official	Total	Prod.	Import.	Cairo	Alexandria	Source
	Total	Prod. austr. Austr. Prod.	Import.							
1911	1911			1909-1913	1910			I.1913-VII.1914		Base
										Mayennes Averages
1,088	1.092	1,113	1,054	1,032	1,125	1,169	1,017	100	100	1913
1,149	1.137	1,188	1,041	1,077	1,090	1,083	1,106			1914
1,604	1,401	1,532	1,151	1,269	1,204	1,154	1,325	103	103	1915
1,504	1,489	1,481	1,509	1,380	1,379	1,268	1,651	128	(126)	1916
1,662	1,727	1,580	2,003	1,555	1,583	1,373	2,091	176	180	1917
1,934	1,933	1,675	2,438	1,809	1,723	1,419	2,464	211	209	1918
2,055	2,090	1,993	2,283	1,834	1,854	1,584	2,525	231	228	1919
2,480	2,503	2,354	2,799	2,185	2,512	2,249	3,185	316	317	1920
1,903	1,956	1,866	2,136	2,071	1,805	1,527	2,501	173	180	1921
1,758	1,800	1,722	1,950	1,832	1,445	1,277	1,870	146	144	1922
1,944	1,925	1,892	1,987	1,803	1,424	1,287	1,773	132	130	1923
1,885	1,877	—	—	1,856	1,448	1,339	1,716	143	141	1924
a)	*a*)			*b*)	*a*)	*a*)	*a*)	*a*)	*a*)	1922
1,673	1,771	—	—	1,918	1,472	1,265	1,991	156	164	I
1,672	1,722	—	—	1,871	—	—	—	152	163	II
1,669	1,724	—	—	1,854	—	—	—	153	145	III
1,691	1,733	—	—	1,853	1,435	1,261	1,875	148	146	IV
1,764	1,785	—	—	1,826	—	—	—	141	143	V
1,775	1,799	—	—	1,805	—	—	—	139	139	VI
1,789	1,833	—	—	1,828	1,423	1,263	1,827	138	140	VII
1,770	1,859	—	—	1,829	—	—	—	139	140	VIII
1,799	1,861	—	—	1,802	—	—	—	138	139	IX
1,812	1,837	—	—	1,796	1,451	1,319	1,788	140	140	X
1,849	1,806	—	—	1,813	—	—	—	144	144	XI
1,832	1,866	—	—	1,781	—	—	—	147	146	XII
										1923
1,855	1,847	—	—	1,762	1,470	1,345	1,790	141	141	I
1,839	1,827	—	—	1,785	—	—	—	137	135	II
1,857	1,864	—	—	1,794	—	—	—	136	132	III
1,894	1,888	—	—	1,798	1,420	1,276	1,785	133	129	IV
1,940	1,922	—	—	1,813	—	—	—	134	131	V
2,035	1,995	—	—	1,826	—	—	—	128	127	VI
2,052	2,039	—	—	1,814	1,395	1,244	1,780	123	122	VII
2,000	1,998	—	—	1,808	—	—	—	120	120	VIII
1,957	1,982	—	—	1,824	—	—	—	123	123	IX
1,946	1,882	—	—	1,814	1,410	1,282	1,735	129	129	X
1,969	1,930	—	—	1,803	—	—	—	134	134	XI
1,982	1,926	—	—	1,793	—	—	—	137	137	XII
										1924
1,984	1,948	—	—	1,807	1,478	1,383	1,718	133	133	I
1,957	1,918	—	—	1,859	—	—	—	135	135	II
1,899	1,873	—	—	1,859	—	—	—	136	135	III
1,893	1,859	—	—	1,841	1,420	1,295	1,718	134	133	IV
1,884	1,869	—	—	1,852	—	—	—	135	133	V
1,863	1,875	—	—	1,854	—	—	—	131	130	VI
1,855	1,852	—	—	1,859	1,404	1,281	1,700	132	130	VII
1.843	1,890	—	—	1,863	—	—	—	143	139	VIII
1,846	1,827	—	—	1,869	—	—	—	148	146	IX
1,861	1,843	—	—	1,866	1,491	1,395	1,728	156	154	X
1,859	1,872	—	—	1,868	—	—	—	158	157	XI
1,878	1,897	—	—	1,866	—	—	—	156	153	XII

a) Moyennes mensuelles. *b*) 15 du mois.

a) Monthly averages. *b*) 15th of month.

Tableau VIII

NOMBRES INDICES DES PRIX DE GROS: *a*) RÉSULTATS PUBLIÉS *(fin)*.

Pays Country	CANADA									ETATS-UNIS	
Source	Dominion Bureau of Statistics	Depart. of Labour	Bank of Commerce		Michell (Labor Gazette)	Federal Reserve Board				Bureau of Labor Statistics	Annalist
			Import.	Export.		Total	Prod.	Import.	Export.		
Base	1913	1890-1899	1909-1913		1900-1909	1913				1913	1890-1899
Moyennes Averages			*b*)	*b*)							
1913	100.0	135.5	107.8	102.8	—	100	100	100	100	100	140.0
1914	102.3	136.1	97.2	105.9	(117.2)	—	—	—	—	98	146.1
1915	109.9	148.0	114.8	115.4	—	—	—	—	—	101	148.1
1916	131.6	182.0	141.3	131.5	—	—	—	—	—	127	175.7
1917	178.5	237.0	210.5	187.3	—	—	—	—	—	177	261.8
1918	199.0	278.3	221.1	207.2	—	—	—	—	—	194	287.1
1919	209.2	293.2	221.1	222.1	(234.4)	207	207	204	220	206	295.6
1920	243.5	333.6	272.0	270.1	(254.5)	250	249	253	268	226	282.8
1921	171.8	246.1	150.3	158.5	(181.4)	167	168	164	181	147	174.3
1922	152.0	224.3	161.7	154.2	(164.5)	149	147	160	145	149	186.3
1923	153.0	224.1	166.6	154.8	(176.8)	150	147	167	143	154	178.0
1924	155.1	223.2	161.2	146.0	(175.4)	147	145	160	145	150	190.0
1922	*a*)	*a*)	*b*)	*b*)	*c*)	*a*)	*a*)	*a*)	*a*)	*a*)	*d*)
I	151.7	227.7	147.9	147.2	165.2	144	143	151	139	138	159.9
II	153.5	229.5	145.7	150.4	163.7	149	148	150	152	141	173.2
III	153.6	225.6	144.9	148.3	161.0	150	150	150	151	142	182.7
IV	153.7	225.0	142.5	151.7	161.2	152	152	151	153	143	182.7
V	153.9	226.2	144.7	157.6	160.9	154	153	157	154	148	184.4
VI	152.7	224.0	154.0	152.3	164.5	153	151	162	149	150	183.1
VII	154.1	225.3	161.7	154.2	165.3	154	153	165	154	155	193.7
VIII	151.7	222.8	171.5	153.9	164.7	149	146	166	144	155	197.2
IX	147.5	220.5	165.5	148.8	162.9	144	140	170	133	153	197.3
X	148.1	219.8	166.5	144.7	166.2	145	141	171	134	154	193.2
XI	151.9	221.7	162.4	145.8	168.3	147	143	165	138	156	195.6
XII	153.1	223.0	161.7	146.3	170.2	147	143	167	138	156	189.3
1923											
I	151.4	223.0	165.3	152.0	171.9	148	145	170	140	156	185.6
II	153.6	224.3	165.1	150.7	176.3	152	149	170	146	157	181.9
III	155.9	226.0	172.7	154.2	179.2	155	152	173	151	159	184.1
IV	156.9	227.4	167.1	152.6	176.2	156	153	173	152	159	186.2
V	155.2	228.5	167.9	153.8	179.1	155	152	171	148	156	181.0
VI	155.5	225.9	167.5	153.8	177.2	153	151	166	146	153	172.4
VII	153.5	224.7	166.6	154.8	176.4	151	149	164	142	151	172.6
VIII	153.5	222.7	164.5	154.8	178.6	150	148	162	142	150	171.4
IX	154.6	221.3	163.6	153.3	178.8	149	146	163	142	154	177.9
X	153.1	221.2	163.8	152.1	174.2	147	144	165	138	153	178.2
XI	153.3	221.7	163.2	148.3	176.9	145	141	165	134	152	175.8
XII	153.5	222.6	164.7	147.1	177.3	144	139	165	131	151	174.5
1924											
I	156.7	222.7	165.3	149.8	178.3	146	143	166	133	151	176.1
II	156.6	224.9	165.9	151.2	180.1	148	146	167	135	152	186.0
III	154.3	224.5	166.0	150.3	176.9	147	145	165	132	150	191.9
IV	151.1	222.7	163.9	145.8	173.9	143	141	159	130	148	181.6
V	150.6	220.7	161.6	146.7	173.8	143	141	159	132	147	175.1
VI	152.2	221.5	159.0	147.4	172.0	145	143	156	138	145	174.5
VII	153.3	221.6	161.2	146.0	175.6	147	146	156	148	147	176.3
VIII	156.8	223.3	163.5	150.0	175.5	149	148	157	152	150	189.4
IX	153.8	221.7	160.5	147.8	172.9	146	145	155	150	149	188.0
X	157.0	223.0	161.7	150.7	174.0	148	147	157	160	152	195.9
XI	157.7	223.4	163.7	151.6	175.1	148	147	160	161	153	197.7
XII	160.9	228.0	164.2	155.9	177.2	149	148	159	164	157	205.1

a) Moyennes mensuelles. *b*) Chiffres annuels: juillet; chiffres mensuels: milieu du mois. *c*) Fin du mois. *d*) Semaine choisie vers le milieu du mois.

a) Monthly averages. *b*) Yearly figures: July; monthly figures: middle of month. *c*) End of month. *d*) Week chosen towards the middle of month.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*a*) PUBLISHED RESULTS *(concluded)*.

UNITED STATES									PEROU PERU	Pays Country
Babson	Bradstreet	Dun's Review	Federal Reserve Board				Irving Fisher	Gibson	Officiel Official	Source
			Total	Production	Import.	Export.				
1900-1909	—	—	1913				1913	—	1913	Base
										Moyennes Averages
104	$ 9.21	$ (120.9)	100	100	100	100	100	58.1	(100)	1913
97	8.90	(122.2)	—	—	—	—	—	60.8	(104.0)	1914
102	9.85	(126.3)	—	—	—	—	—	64.0	(120.0)	1915
138	11.82	(148.0)	—	—	—	—	—	74.9	(145.9)	1916
197	15.64	(204.1)	—	—	—	—	—	110.8	(175.8)	1917
210	18.71	(229.2)	—	—	—	—	—	122.8	(212.5)	1918
207	18.66	(230.2)	211	214	174	221	—	121.4	(219.8)	1919
271	18.81	(247.9)	239	242	191	235	—	127.0	(238.1)	1920
157	11.37	(170.8)	149	152	108	136	—	71.9	(204.6)	1921
163	12.12	(172.2)	158	160	123	157	—	70.9	(189.8)	1922
172	13.40	(189.8)	165	166	147	183	157.7	73.8	(189.1)	1923
161	12.78	(189.3)	159	161	141	178	149.3	79.0	(191.9)	1924
a)	*b*)	*b*)	*a*)	*a*)	*a*)	*a*)	*a*)	*a*)	*c*)	1922
158	11.42	165.0	142	145	110	139	—	65	189.4	I
156	11.60	169.7	146	149	110	142	—	70	191.4	II
156	11.53	166.3	147	150	111	144	—	73	189.8	III
155	11.70	168.1	149	152	115	144	—	74	187.3	IV
163	11.90	170.0	158	161	119	155	—	74	185.8	V
165	12.11	173.7	161	164	124	163	—	72	191.3	VI
162	12.07	173.6	165	168	128	165	—	73	191.4	VII
164	12.08	172.5	166	169	127	162	—	67	193.4	VIII
167	12.50	175.6	164	167	127	157	—	67	190.2	IX
168	13.35	182.3	165	168	134	163	—	70	189.0	X
172	13.78	185.5	164	166	136	173	—	72	188.2	XI
172	13.70	185.6	165	167	137	174	—	73	190.6	XII
										1923
173	13.72	186.3	166	168	139	180	157.0	72	184.5	I
182	13.93	191.2	166	168	145	187	162.1	72	189.6	II
187	13.93	193.1	169	171	153	193	166.1	76	187.9	III
184	13.67	192.9	170	172	155	186	167.0	78	190.4	IV
178	13.38	191.4	167	169	155	179	162.5	76	191.3	V
173	13.09	188.7	164	166	148	182	158.3	72	190.5	VI
170	12.82	186.7	159	161	141	170	153.4	73	191.4	VII
168	12.91	188.0	159	161	136	166	153.6	73	187.4	VIII
163	13.10	190.8	163	165	144	176	155.3	75	185.7	IX
164	13.14	191.8	163	165	150	182	155.4	76	188.0	X
161	13.44	190.9	163	165	147	196	152.0	74	190.5	XI
160	13.27	189.9	163	165	148	199	150.6	73	192.4	XII
										1924
164	13.20	191.1	163	165	143	196	151.4	74	189.5	I
169	12.90	190.7	163	164	148	189	153.4	76	188.8	II
169	12.66	186.8	160	161	145	179	148.7	77	193.9	III
168	12.56	184.7	158	159	140	182	145.9	77	195.4	IV
164	12.29	183.8	156	158	133	183	144.8	74	191.5	V
158	12.23	185.5	154	157	129	179	143.0	73	191.7	VI
155	12.62	188.0	156	159	132	180	145.2	77	191.7	VII
155	12.81	188.7	158	160	139	177	147.7	81	193.1	VIII
155	13.00	190.9	156	158	143	163	148.9	81	189.5	IX
154	13.35	193.7	159	160	146	167	151.8	84	191.6	X
157	13.53	198.0	160	161	150	169	153.5	84	191.1	XI
160	13.93	202.6	165	166	149	171	155.9	89	194.7	XII

a) Moyennes mensuelles. *b*) 1er du mois suivant. *c*) 15 du mois.

a) Monthly averages. *b*) First day of following month. *c*) 15th of month.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *b*) POURCENTAGES PAR RAPPORT A 1913.

Pays Country	ALLEMAGNE					
Source	Officiel — Official			Berliner Tageblatt	Industrie- und Handelszeitung	Officiel Official
	Total	Export	Import			
Base	1913			1913-1914	Fin—End 1913	1913
Moyennes Averages				(*c*)	(*c*)	*c*) *d*)
1913	100	100	100	100	100	*100*
1914	106	—	—			—
1915	142	—	—	—	—	—
1916	153	—	—	—	—	—
1917	179	—	—	—	—	—
1918	217	—	—	—	—	—
1919	415	385	558	—	—	—
1920	1,486	1,253	2,652	—	—	—
1921	1,911	1,786	2,533	—	—	—
1922	34,182	29,655	56,818	—	172,620	*167,030*
1923	*a*) *** (16,620)	*a*) *** (15,889)	*a*) *** (20,266)	*a*) ***155,100	*a*) ***143,450	*a*) ***122,400
1924	*b*) (122.5)	*b*) (113.4)	*b*) (168.2)	*b*) 137.6	*b*) 136.3	*b*) *134.3*
1922	*a*)	*a*)	*a*)	*a*)	*a*)	*d*)
I	3,665	3,383	5,075	—	3,950	—
II	4,103	3,763	5,800	—	4,290	—
III	5,433	5,027	7,463	—	5,520	—
IV	6,355	5,985	8,203	—	6,420	—
V	6,458	6,026	8,617	—	6,890	—
VI	7,030	6,540	9,479	—	7,640	—
VII	10,059	9,300	13,854	—	10,830	*14,662*
VIII	19,202	16,545	32,491	—	19,880	*27,957*
IX	28,698	25,815	43,113	—	30,287	*37,972*
X	56,601	49,853	90,343	—	59,433	*99,622*
XI	115,101	95,290	214,150	—	132,464	*149,510*
XII	147,480	128,330	243,230	—	172,620	*167,030*
1923						
I	* 278	* 239	* 476	* 300	* 337	* *597*
II	* 558	* 494	* 880	* 704	* 708	* *512*
III	* 489	* 450	* 682	* 638	* 619	* *484*
IV	* 521	* 476	* 747	* 655	* 657	* *624*
V	* 817	* 708	* 1,360	* 967	* 1,015	* *1,239*
VI	* 1,939	* 1,703	* 3,117	* 2,159	* 2,372	* *3,383*
VII	* 7,479	* 6,970	* 10,024	* 5,982	* 7,809	* *18,351*
VIII	* 94,404	* 86,777	* 132,539	* 109,016	* 115,346	* *169,511*
IX	** 2,395	** 2,230	** 3,240	** 2,793	** 3,071	** *8,450*
X	** 709,484	** 670,000	** 930,000	** 848,600	** 773,134	** *1,870,000*
XI	*** 72,571	*** 70,690	*** 81,960	*** 89,100	*** 77,280	*** *142,290*
XII	*** 126,156	*** 119,300	*** 160,300	*** 155,100	*** 143,450	*** *122,400*
1924	*b*)	*b*)	*b*)	*b*)	*b*)	*b*)
I	117.3	108.3	162.5	145.8	133.65	*114 8*
II	116.2	104.1	176.3	143.4	133.22	*118.0*
III	120.7	108.2	182.8	144.2	135.85	*122.0*
IV	124.1	111.7	185.6	145.7	137.92	*124.6*
V	122.5	112.2	173.8	142.7	131.37	*118.4*
VI	115.9	106.1	165.0	134.5	124.85	*112.6*
VII	115.0	106.4	158.3	127.9	119.35	*118.5*
VIII	120.4	113.0	157.4	129.4	123.25	*120.9*
IX	126.9	120.8	157.7	132.3	129.05	*131.5*
X	131.2	125.2	160.9	134.0	130.63	*128.5*
XI	128.5	120.8	167.1	135.1	131.90	*128.5*
XII	131.3	123.4	170.9	137.6	136.30	*134.3*

a) Pour le chiffre annuel de 1923 ***, il faut ajouter neuf zéros, pour les huit premiers mois de 1923 *, trois zéros, pour IX et X **, six et, pour XI et XII***, neuf zéros. Tous les chiffres mensuels, excepté ceux de la dernière colonne, représentent des moyennes. *b*) Chiffres de base exprimés en marks-or. *c*) Les chiffres annuels se réfèrent à la fin des années. *d*) Chiffres aux dates se rapprochant de celles de la *Frankfurter Zeitung*; les dates exactes pour 1923 sont: 5.II, 5.III, 5.IV, 5.V, 5.VI, 3.VII, 31.VII, 28.VIII, 2.X, 30.X, 27.XI, 2.I.

(*a*) For the annual figure for 1923 *** 000,000,000's omitted, for the first eight months of 1923 * 000's ,for IX and X ** 000,000's and for XI and XII *** 000,000,000's. All monthly figures, except those in the last column, represent averages. (*b*) Base figures expressed in gold marks. (*c*) The yearly figures refer to the end of the years. (*d*) Figures referring to dates near to those of the *Frankfurter Zeitung*; for the exact dates see French footnote *d*) above.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*b*) PERCENTAGES OF 1913.

GERMANY			AUTRICHE AUSTRIA	BELGIQUE BELGIUM	DANEMARK DENMARK		Pays Country
Frankfurter Zeitung							
Total	Prod.	Import.	Officiel Official	Officiel Official	Officiel Official	Finans-tidende	Source
1.VII.1914			1.-VI.1914	IV.1914	1891-1900	1.VII.1912-30.VI.1914	Base
a)	*a*)	*a*)	*a*)			*a*)	Moyennes Averages
—	—	—	—	—	100	100	1913
100	100	100	100	100	112	134	1914
—	—	—	—	—	143	149	1915
—	—	—	—	—	189	206	1916
—	—	—	—	—	250	284	1917
—	—	—	—	—	304	292	1918
1,965	1,258	2,528	—	—	326	340	1919
2,130	1,628	2,189	—	—	390	341	1920
4,217	3,173	4,094	—	*e*) 366	223	178	1921
205,417	150,657	222,115	1,614,200	367	171	181	1922
*** 140,100	*** 130,770	*** 144,540	1,818,100	497	186	210	1923
146.9	136.7	139.4	2,075,400	573	226	234	1924
			d)	*f*)		*g*)	1922
4,599	—	—	117,100	366	—	177	I
5,420	—	—	131,000	356	—	182	II
6,703	5,199	6,341	136,300	350	—	178	III
7,384	—	—	153,500	344	—	177	IV
7,851	—	—	194,500	348	—	179	V
9,102	7,653	8,584	318,400	356	—	180	VI
13,978	—	—	562,800	360	—	180	VII
29,116	—	—	1,206,600	360	—	178	VIII
43,223	30,383	48,120	1,771,100	364	—	176	IX
94,492	62,346	126,719	1,753,200	385	—	180	X
167,412	120,333	189,932	1,669,500	408	—	182	XI
205,417	150,657	222,115	1,614,200	407	—	181	XII
b)	*b*)	*b*)					1923
* 716	* 384	* 986	1,698,600	434	—	192	I
* 677	* 608	* 677	1,721,500	474	—	199	II
* 643	* 560	* 611	1,852,100	482	—	200	III
* 824	* 662	* 892	1,875,800	480	—	204	IV
* 1,498	* 1,044	* 1,735	1,894,500	474	—	202	V
* 3,990	* 3,300	* 4,033	1,833,900	484	—	207	VI
* 28,360	* 23,202	* 26,929	1,789,300	504	—	207	VII
* 306,336	* 186,963	* 281,895	1,657,400	529	—	202	VIII
** 18,295	** 15,644	** 14,337	1,779,400	514	—	205	IX
** 4,907,150	** 3,866,700	** 5,555,000	1,759,700	515	—	207	X
*** 164,960	*** 149,230	*** 155,250	1,779,500	531	—	210	XI
*** 140,100	*** 130,770	*** 144,540	1,818,100	545	—	210	XII
c)	*c*)	*c*)					1924
137.0	—	131.0	1,874,800	580	—	223	I
142.9	125.7	134.2	1,915,800	642	—	227	II
147.3	126.6	129.8	1,912,000	625	—	228	III
147.7	128.3	127.5	1,946,500	555	—	225	IV
140.9	116.9	124.2	1,946,500	557	—	219	V
130.1	103.9	117.2	1,828,200	565	—	220	VI
134.2	112.5	127.4	1,913,300	566	—	233	VII
133.2	111.6	128.6	2,013,600	547	—	231	VIII
141.3	126.7	128.9	1,937,300	550	—	234	IX
140.7	130.0	134.8	2,008,600	555	—	231	X
140.9	133.4	134.9	2,076,600	569	—	232	XI
146.9	136.7	139.4	2,075,400	566	—	234	XII

a) Les chiffres annuels se réfèrent à la fin des années. Pour l'explication des astérisques utilisés pour la *Frankfurter Zeitung* dont tous les chiffres mensuels se rapportent au début du mois suivant, voir note *a*) de la page précédente. *b*) Les dates exactes pour les mois à partir de février 1923 sont: 3.III, 7.IV, 5.V, 5.VI, 2.VII, 3.VIII, 31.VIII, 4.X, 1.XI, 29.XI et 3.I. (Voir la dernière colonne de la page précédente). *c*) Chiffres de base exprimés en marks or. *d*) 15 du mois. *e*) Moyenne des cinq derniers mois. *f*) Moyennes de la seconde quinzaine des mois. *g*) 1er du mois suivant.

(*a*) Yearly figures refer to end of years. For explanation of asterisks used for the *Frankfurter Zeitung*, the monthly figures of which refer to the beginning of the following month, see note (*a*) of the preceding page. (*b*) The exact dates from February 1923 are: 3.III, 7.IV, 5.V, 5.VI, 2.VII, 3.VIII, 31.VIII, 4.X, 1.XI, 29.XI and 3.I (see last column of the preceding page). (*c*). Basic figures expressed in gold marks. (*d*) 15th of month. (*e*) Average of last five months. (*f*) Average of second ha f of month. (*g*) First day of following month.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *b*) POURCENTAGES PAR RAPPORT A 1913 *(suite)*.

Pays Country	ESPAGNE SPAIN	ESTHONIE ESTHONIA	FINLANDE — FINLAND				FRANCE				
Source	Officiel Official	Revaler Bote	Officiel — Official				Officiel Official	Federal Reserve Board			
			Total	Production	Import.	Export.		Tous les Art. All comm.	Art. Prod.	Art. import.	Art. export.
Base	1913	1913-1914	1913 *d*)				VII. 1914	1913			
Moyennes Averages							*e*)				
1913	100	100	100	100	100	100	—	100	100	100	100
1914	101		—	—	—	—	100	—	—	—	—
1915	119	—	—	—	—	—	143	—	—	—	—
1916	141	—	—	—	—	—	188	—	—	—	—
1917	166	—	—	—	—	—	273	—	—	—	—
1918	207	—	—	—	—	—	344	—	—	—	—
1919	204	—	—	—	—	—	356	—	—	—	—
1920	221	—	1,183	1,092	1,338	1,187	506	512	507	536	541
1921	190	—	1,263	1,180	1,380	1,287	337	344	350	313	305
1922	176	—	1,219	1,146	1,297	1,267	332	319	321	310	312
1923	172	*b*) 116.7	1,095	1,067	1,083	1,143	415	394	384	442	406
1924	183	*b*) 145.0	1,100	1,096	1,121	1,084	491	446	429	529	464
1922	*a*)	*c*)	*c*) *d*)	*c*) *d*)	*c*) *d*)	*c*) *d*)	*f*)	*c*)	*c*)	*c*)	*c*)
I	180	—	1,263	1,159	1,386	1,321	320	306	309	295	293
II	179	—	1,254	1,155	1,373	1,310	313	303	306	286	291
III	177	—	1,244	1,139	1,379	1,294	314	307	313	282	288
IV	180	—	1,260	1,154	1,371	1,337	320	320	328	282	290
V	178	—	1,241	1,148	1,348	1,296	323	324	332	288	295
VI	178	—	1,229	1,159	1,316	1,265	332	325	332	295	309
VII	175	—	1,219	1,139	1,312	1,263	332	328	333	308	314
VIII	175	—	1,230	1,162	1,289	1,289	338	320	322	309	312
IX	174	—	1,224	1,183	1,258	1,258	336	315	314	320	318
X	172	—	1,186	1,149	1,221	1,214	344	315	312	333	325
XI	174	—	1,140	1,108	1,176	1,155	359	329	322	362	355
XII	172	—	1,149	1,105	1,159	1,216	370	337	332	361	352
1923											
I	170	—	1,134	1,064	1,152	1,246	395	346	339	384	365
II	170	—	1,127	1,067	1,148	1,214	431	380	372	420	405
III	171	—	1,108	1,061	1,137	1,162	433	398	389	442	421
IV	174	—	1,096	1,049	1,128	1,145	423	390	384	420	403
V	171	—	1,093	1,053	1,103	1,156	415	386	379	420	381
VI	170	—	1,095	1,078	1,073	1,149	417	394	386	434	385
VII	170	—	1,080	1,068	1,049	1,139	415	391	382	434	384
VIII	171	—	1,080	1,089	1,016	1,140	421	391	381	445	393
IX	174	—	1,089	1,112	1,031	1,119	433	404	393	460	419
X	171	—	1,077	1,099	1,053	1,066	429	404	394	457	422
XI	173	—	1,070	1,081	1,054	1,069	452	416	403	482	443
XII	176	116.7	1,096	1,100	1,068	1,121	468	427	410	509	460
1924											
I	178	122.0	1,071	1,062	1,061	1,099	505	445	423	548	489
II	180	122.5	1,078	1,060	1,079	1,109	555	469	443	595	522
III	180	126.4	1,094	1,075	1,104	1,115	510	483	460	596	524
IV	184	128.7	1,095	1,074	1,111	1,114	459	428	418	480	434
V	179	130.4	1,090	1,073	1,107	1,101	468	428	417	481	425
VI	179	130.0	1,088	1,092	1,092	1,078	475	442	431	496	445
VII	182	143.9	1,085	1,002	1,056	1,090	491	440	427	503	451
VIII	182	150.8	1,111	1,110	1,129	1,092	487	442	427	511	451
IX	184	154.2	1,117	1,143	1,132	1,056	496	436	420	516	443
X	186	149.9	1,114	1,133	1,172	1,023	508	442	423	534	454
XI	181	148.1	1,120	1,112	1,202	1,049	514	449	430	541	461
XII	198	145.0	1,139	1,120	1,220	1,087	518	451	431	545	463

a) 15 du mois. *b*) Fin d'année. *c*) Moyennes mensuelles. *d*) Chiffre de chaque mois basé sur le chiffre du mois correspondant en 1913. *e*) Mois de juillet de chaque année. *f*) Fin du mois.

(*a*) 15th of month. (*b*) End of year. (*c*) Monthly averages. (*d*) Figure for each month based on the figure for the corresponding month of 1913. (*e*) End of July of each year. (*f*) End of month.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*b*) PERCENTAGES OF 1913 *(continued)*.

FRANCE		HONGRIE HUNGARY	ITALIE — ITALY		NORVÈGE NORWAY			PAYS-BAS NETHERLANDS	POLOGNE POLAND	Pays Country
Bulletin Quotidien	Officiel Official — Alsace et Lorraine	Officiel Official	Bachi	Camera di Commercio di Milano	Officiel Official	Farmand	Ökonomisk Revue	Officiel Official	Officiel Official	Source
1913	I.VII.1914	1913	1913	1913	1913	1913	31.XII.1913-30.VI.1914	1913	I. 1914	Base
							a)		*a)*	Moyennes Averages
100	—	1	100	100	100	100	—	100	100	1913
—	100	—	95	—	—	104.5	115	109	—	1914
—	—	—	133	—	—	148.7	159	146	—	1915
—	—	—	200	—	—	202.9	233	226	—	1916
—	—	—	306	—	—	296.6	341	276	—	1917
—	—	—	409	—	—	345.1	345	373	—	1918
—	*c)* 372	—	366	—	—	330.6	322	304	—	1919
—	529	—	624	—	—	395.0	377	292	—	1920
—	353	—	577	*f)* 516.50	—	278.3	269	182	57,046	1921
—	346	—	562	529.35	—	221.3	220	160	346,353	1922
a) 425.46	433	*a)* 7,915	575	535.78	232	223.3	244	151	142,300,700	1923
a) 447.40	511	*a)* 23,466	585	553.51	267	260.4	278	156	*i)* 118.3	1924
b)	*b)*	*d)*	*e)*	*d)*	*h)*	*e)*	*e)*	*d)*	*e)*	1922
—	344	—	577	549.94	—	239.1	260	163	59,231	I
—	336	—	563	535.62	—	236.9	253	165	63,445	II
—	332	—	533	512.65	—	219.3	240	164	73,729	III
—	333	—	527	499.25	—	209.9	236	163	75,106	IV
—	338	—	523	499.16	—	208.1	231	165	78,634	V
—	346	—	537	504.48	—	217.4	230	165	87,694	VI
—	348	—	558	524.54	—	227.4	232	164	101,587	VII
—	345	—	571	534.06	—	219.1	227	156	135,786	VIII
—	343	—	582	543.84	—	212.7	225	152	152,365	IX
—	350	—	601	554.17	—	211.6	221	155	201,326	X
—	362	—	596	558.22	—	211.9	221	158	275,647	XI
—	373	—	580	536.24	—	211.0	220	155	346,353	XII
										1923
—	398	—	575	523.52	223	207.0	220	157	544,690	I
—	430	—	582	533.68	222	209.8	224	155	859,110	II
—	428	—	587	547.47	227	214.0	229	156	988,500	III
—	414	—	588	549.68	229	214.8	231	156	1,058,920	IV
—	406	—	580	542.82	232	224.0	233	149	1,125,350	V
—	413	—	569	539.24	232	223.2	230	149	1,881,410	VI
—	417	—	566	538.65	231	226.2	235	145	3,069,970	VII
—	439	—	567	527.04	233	225.1	231	142	5,294,680	VIII
—	444	—	569	530.60	232	231.3	234	145	7,302,200	IX
404.07	448	—	563	532.79	235	234.1	237	148	27,380,680	X
406.86	463	—	571	529.05	243	241.4	242	153	67,943,700	XI
425.46	492	7,915	577	534.80	247	241.8	244	154	142,300,700	XII
										1924
432.91	535	10,266	571	543.09	251	249.6	250	156	252,167,700	I
448.65	578	18,391	573	543.11	261	259.0	262	158	248,429,600	II
480.57	519	20,767	579	549.34	264	260.0	266	155	245,277,900	III
449.87	475	21,346	579	550.54	263	259.3	267	154	242,321,800	IV
424.98	501	22,696	571	546.55	261	251.9	263	153	*i)* 104.0	V
451.74	499	22,078	566	536.71	262	252.6	264	151	100.6	VI
426.99	505	22,945	567	*g)* 544.88	265	263.9	271	151	102.3	VII
435.08	496	22,420	572	546.05	271	256.6	274	151	109.2	VIII
424.64	497	22,366	580	546.97	272	265.0	275	158	112.4	IX
432.66	504	22,852	602	563.19	273	273.4	276	161	116.4	X
439.59	507	23,095	621	578.30	276	277.3	277	161	116.6	XI
447.40	515	23,466	640	593.39	279	275.3	278	160	118.3	XII

a) Fin d'année. *b)* Début du mois suivant. *c)* Moyenne des neuf derniers mois. *d)* Moyennes mensuelles. *e)* Fin du mois. *f)* Moyenne des huit derniers mois. *g)* Depuis juillet, modification ,de la liste des marchandises. *h)* 15 du mois. *i)* Chiffres de base en zlotys. Les chiffres correspondants pour février, mars et avril 1924 sont respectivement 111,8; 110.4 et 109,0.

(*a*) End of year. (*b*) Beginning of following month. (*c*) Average of last nine months. (*d*) Monthly averages. (*e*) End of month. (*f*) Average of last eight months. (*g*) Since July, modification of the list of commodities. (*h*) 15th of month. (*i*) Base figures in zlotys. The corresponding figures for February, March and April 1924 are: 111.8, 110.4 and 109.0 respectively.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *b*) POURCENTAGES PAR RAPPORT A 1913 (*suite*)

Pays Country	ROYAUME-UNI — UNITED KINGDOM									RUSSIE RUSSIA	S. H. S.
Source	Board of Trade	Statist	Economist	Times	Financial Times	Federal Reserve Board				"Gosplan"	Privredni Pregled
						Total	Prod.	Import	Export.		
Base	1913	1867–1877	1901-1905	1913	1923	1913				1913	1913
Moyennes Averages											
1913	100	100	100	100	100	100	100	100	100	100	100
1914	—	100	99	—	—	—	—	—	—	—	—
1915	—	127	123	—	—	—	—	—	—	—	—
1916	—	160	160	—	—	—	—	—	—	—	—
1917	—	206	204	—	—	—	—	—	—	—	—
1918	—	226	225	—	—					—	—
1919	—	242	235	—	—	241	238	247	275	—	—
1920	307.3	295	283	321.8	289	310	315	294	438	—	—
1921	197.2	182	181	189.5	171	198	207	171	183	—	—
1922	158.8	154	159	158.0	147	165	169	155	155	*c*) * 1,579	—
1923	158.9	152	162	161.8	150	170	170	168	177	*c*) * 378,100	2,016
1924	166.2	165	174	171.4	158	176	177	175	180	*d*) *c*) 172	
1922	*a*)	*b*)	*b*)	*b*)	*a*)	*a*)	*a*)	*a*)	*a*)	*e*)	
I	164.0	156	159	158.6	146	167	174	149	158	—	—
II	161.8	156	158	155.9	144	165	171	148	151	—	—
III	160.0	157	160	156.2	146	166	172	147	153	—	—
IV	160.1	159	159	157.9	147	165	171	148	152	—	—
V	160.6	159	162	158.0	150	169	175	153	155	—	—
VI	159.9	159	163	158.7	151	167	172	154	158	—	—
VII	160.3	158	163	158.8	150	169	172	158	158	* 473	—
VIII	156.3	152	158	156.2	146	166	170	155	159	* 485	—
IX	154.3	150	156	157.9	144	163	165	157	154	* 618	—
X	155.2	153	158	158.8	145	160	160	161	149	* 967	—
XI	157.6	154	159	160.7	148	162	161	165	154	* 1,227	—
XII	155.8	152	158	158.6	148	164	164	163	157	* 1,579	—
1923											
I	157.0	153	161	159.7	149	165	165	164	165	* 2,042	2,098
II	157.5	155	163	162.0	150	168	168	166	172	* 2,617	—
III	160.3	156	163	163.6	154	173	174	169	185	* 3,179	—
IV	162.0	158	165	164.9	155	175	176	170	191	* 4,464	—
V	159.8	156	164	162.5	151	173	175	167	189	* 6,290	—
VI	159.3	150	160	158.8	148	171	173	167	185	* 9,796	—
VII	156.5	147	155	155.6	147	168	169	164	173	* 15,224	—
VIII	154.5	147	156	156.6	145	164	165	162	166	* 27,529	—
IX	157.8	150	160	160.1	148	165	164	167	167	* 54,901	—
X	158.1	150	160	161.1	148	166	165	167	167	* 87,300	—
XI	160.8	156	169	168.1	153	171	171	173	177	* 173,100	—
XII	163.4	157	170	169.1	156	177	175	184	187	* 378,100	—
1924										*d*)	
I	165.4	161	173	173.8	157	178	177	179	186	187	2,034
II	167.0	163	173	172.5	159	180	180	182	185	193	2,101
III	165.4	161	172	169.0	156	180	180	178	185	181	2,040
IV	164.7	161	172	168.0	155	181	183	178	188	175	1,973
V	163.7	160	168	165.3	153	177	179	171	181	166	1,911
VI	162.6	160	168	164.7	152	174	176	170	179	169	1,984
VII	162.6	163	173	167.5	153	174	175	171	177	175	1,995
VIII	165.2	162	172	169.1	156	173	173	174	176	173	2,049
IX	166.9	166	176	173.4	159	172	173	169	172	164	1,978
X	170.0	172	180	176.8	163	175	175	174	174	164	1,981
XI	169.8	171	179	177.1	165	176	176	178	178	168	2,037
XII	170.1	174	180	179.3	165	177	177	179	180	172	2,112

* En millions.

a) Moyennes mensuelles. *b*) Fin du mois. *c*) Fin d'année. *d*) Chiffres de base en roubles tchervonetz; les chiffres annuels correspondant pour 1922 et 1923 sont 96 et 169 *e*) Début du mois suivant.

* 000,000's omitted.

(*a*) Monthly averages (*b*) End of month. (*c*) End of year. (*d*) Base figures in chervonetz roubles; the corresponding yearly figures for 1922 and 1923 are 96 and 169 respectively. (*e*) Beginning of following month.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*b*) PERCENTAGES OF 1913 *(continued)*.

SUÈDE — SWEDEN						SUISSE Switzerland	TCHÉCOSLOVAQUIE CZECHOSLOVAKIA				Pays Country
Officiel Official	Silver-stolpe	Svenska Dagbladed				Dr. Lorenz	Officiel — Official			Národní Listy	Source
		Total	Product.	Import.	Export.		Total	Import.	Export.		
1913	1. VII. 1913-30. VI. 1914	1913				VII. 1914	VII. 1914			VII. 1914	Base
											Moyennes Averages
100	100	100	100	100	100	—	—	—	—	—	1913
—	*b)* 114	—	—	—	—	100	100	100	100	100	1914
—	142	—	—	—	—	—	—	—	—	—	1915
—	181	—	—	—	—	—	—	—	—	—	1916
—	239	—	—	—	—	—	—	—	—	—	1917
—	332	—	—	—	—	—	—	—	—	—	1918
—	324	—	—	—	—	—	—	—	—	—	1919
359	340	356	346	420	381	—	—	—	—	—	1920
222	207	218	226	170	209	191.2	*e)* 1,653	*e)* 1,571	*e)* 1,689	*e)* 1,843	1921
173	159	163	166	140	160	167.5	1,334	1,223	1,379	1,300	1922
163	154	159	161	148	168	180.6	977	974	989	955	1923
162	152	159	161	142	154	174.6	997	999	1,005	969	1924
a)	*c)*	*a)*	*a)*	*a)*	*a)*	*d)*	*d)*	*d)*	*d)*	*a)*	1922
181	167	171	175	141	166	172.3	1,504	1,365	1,556	1,617	I
179	163	166	169	142	160	172.4	1,528	1,399	1,575	1,559	II
177	161	163	165	143	160	164.5	1,464	1,307	1,520	1,505	III
175	162	162	165	138	157	162.1	1,447	1,299	1,505	1,466	IV
175	161	162	165	140	151	162.8	1,443	1,329	1,490	1,437	V
174	161	162	166	139	158	163.9	1,433	1,333	1,477	1,438	VI
173	162	163	166	140	158	164.7	1,364	1,200	1,428	1,375	VII
173	160	164	167	140	160	165.7	1,140	989	1,193	1,233	VIII
170	155	163	167	137	161	164.5	1,043	967	1,074	1,070	IX
169	152	159	162	139	162	170.6	1,004	953	1,029	996	X
163	151	158	161	141	163	171.9	987	948	1,002	967	XI
163	152	158	161	141	164	174.7	991	954	1,009	949	XII
											1923
163	153	157	159	144	166	175.3	1,005	984	1,018	973	I
165	155	158	158	156	170	181.0	1,012	1,021	1,018	976	II
168	159	160	159	166	172	185.9	1,012	1,011	1,024	983	III
168	156	161	161	162	174	186.6	1,003	991	1,019	962	IV
166	155	161	162	155	174	181.0	977	956	995	944	V
164	157	159	161	148	172	179.8	949	944	962	927	VI
162	154	158	161	143	172	175.3	942	922	959	931	VII
162	160	158	161	140	169	173.4	943	931	957	938	VIII
162	152	160	163	141	169	181.1	960	973	967	957	IX
161	150	159	162	141	162	181.6	952	970	956	952	X
160	148	159	161	143	156	182.5	969	986	975	959	XI
160	147	157	160	142	155	183.2	974	986	981	959	XII
											1924
161	149	158	160	142	154	183.4	999	988	1,026	981	I
162	150	158	160	145	154	180.1	1,021	1,001	1,037	980	II
162	151	157	159	145	154	181.4	1,008	997	1,019	976	III
161	153	157	158	146	152	180.4	1,001	986	1,013	974	IV
160	148	157	159	140	153	178.3	968	964	974	953	V
158	146	155	158	136	151	173.3	953	949	960	936	VI
157	145	153	156	135	152	170.6	986	990	990	939	VII
160	149	156	159	139	156	169.9	982	1,010	983	945	VIII
163	150	158	161	138	154	169.0	999	1,017	1,004	954	IX
167	159	165	168	141	155	168.5	1,013	1,040	1,016	977	X
167	159	165	168	145	153	169.8	1,024	1,056	1,023	955	XI
168	160	167	169	148	154	170.8	1,045	1,080	1,042	1,019	XII

a) Moyennes mensuelles. *b)* Juillet à décembre. *c)* 15 du mois. *d)* 1er du mois suivant. *e)* Fin de l'année.

(a) Month.y averages. *(b)* July to December. *(c)* 15th of month. *(d)* First day of following month. *(e)* End of the year.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS : (*b*) POURCENTAGES PAR RAPPORT A 1913 *(suite)*.

Pays Country	CHINE CHINA	INDES ANGLAISES — BRITISH INDIA						
Source	Officiel — Official	Officiel — Official			Atkinson	Officiel — Official		
	Shanghaï	Total	Import.	Export.		Calcutta	Bombay	Karachi
Base	II.1913	1873			1873	31.VII.1914	VII.1914	VII.1914
Moyennes Averages								
1913	100	100	100	100	100	—	—	—
1914	—	103	97	104	103	100	100	100
1915	—	106	125	101	100	112	—	—
1916	—	129	202	106	102	128	—	—
1917	—	137	224	110	102	147	—	—
1918	—	157	247	129	118	180	236	—
1919	—	193	234	180	165	198	222	—
1920	152.0	197	239	182	166	204	216	201
1921	150.2	165	195	155	150	181	199	179
1922	145.5	164	179	159	146	180	187	161
1923	156.4	154	179	145	142	176	181	148
1924	153.9 *a)*	—	—	—	—	177	182	154
1922						*b)*	*b)*	*b)*
I	148.5	—	—	—	—	178	190	172
II	150.0	—	—	—	—	179	187	178
III	151.5	—	—	—	—	182	192	179
IV	148.0	—	—	—	—	182	188	165
V	145.7	—	—	—	—	187	191	163
VI	144.1	—	—	—	—	183	192	160
VII	143.9	—	—	—	—	181	190	159
VIII	142.0	—	—	—	—	178	188	156
IX	139.6	—	—	—	—	176	184	149
X	141.6	—	—	—	—	177	177	151
XI	143.2	—	—	—	—	178	179	151
XII	148.5	—	—	—	—	176	175	149
1923								
I	152.7	—	—	—	—	179	181	147
II	157.5	—	—	—	—	180	177	148
III	158.7	—	—	—	—	181	182	152
IV	157.7	—	—	—	—	178	180	152
V	158.4	—	—	—	—	177	180	149
VI	155.2	—	—	—	—	175	180	149
VII	155.4	—	—	—	—	170	178	142
VIII	153.1	—	—	—	—	171	176	143
IX	156.8	—	—	—	—	174	179	146
X	156.1	—	—	—	—	174	181	146
XI	157.3	—	—	—	—	177	186	152
XII	157.5	—	—	—	—	179	188	150
1924								
I	155.8	—	—	—	—	172	188	149
II	159.5	—	—	—	—	178	188	151
III	157.5	—	—	—	—	179	181	149
IV	153.7	—	—	—	—	174	184	153
V	154.3	—	—	—	—	176	181	150
VI	151.8	—	—	—	—	176	185	148
VII	151.5	—	—	—	—	179	184	165
VIII	148.8	—	—	—	—	180	184	155
IX	149.3	—	—	—	—	179	181	157
X	152.8	—	—	—	—	181	181	161
XI	154.9	—	—	—	—	180	176	157
XII	157.4	—	—	—	—	176	176	155

a) Dernier mercredi du mois. *b*) Fin du mois.

(*a*) Last Wednesday in month. (*b*) End of month.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*b*) PERCENTAGES OF 1913 *(continued)*.

INDES NÉERLANDAISES DUTCH EAST INDIES			JAPON — JAPAN							Pays Country
Officiel — Official			Banque du Japon Bank of Japan	Asahi Shimbon	Oriental Economist	Federal Reserve Board				Source
Total	Import.	Export.	Tokyo	Osaka	Tokyo	Total	Prod.	Import.	Export.	
1913			x. 1900	I. 1914	I. 1923	1913				Base
a)	*a*)	*a*)			*c*)					Moyennes Averages
100	100	100	100	—	100	100	100	100	100	1913
—	—	—	95	100	91.6	—	—	—	—	1914
—	—	—	97	—	103.0	—	—	—	—	1915
—	—	—	117	—	123.4	—	—	—	—	1916
—	—	—	148	—	180.3	—	—	—	—	1917
—	—	—	196	—	217.6	—	—	—	—	1918
—	—	—	236	—	243.4	235	231	271	254	1919
—	—	—	259	—	241.7	240	236	267	246	1920
182	199	130	200	—	193.8	181	186	154	173	1921
170	186	123	196	—	202.3	182	187	159	189	1922
173	187	133	199	209.44	193.6	188	189	184	204	1923
174	185	141	207	222.26	207.8	200	200	205	200	1924
b)	*b*)	*b*)	*b*)	*b*)	*c*)	*b*)	*b*)	*b*)	*b*)	1922
—	—	—	206	—	207.7	191	198	153	197	I
—	—	—	204	—	206.0	185	192	151	186	II
—	—	—	201	—	203.0	182	187	153	175	III
—	—	—	198	—	200.5	180	188	151	176	IV
—	—	—	194	—	198.6	183	188	157	183	V
—	—	—	197	—	200.4	187	191	166	192	VI
—	—	—	201	—	202.3	195	200	167	196	VII
—	—	—	195	—	197.3	187	192	160	189	VIII
—	—	—	193	—	190.1	179	183	156	189	IX
—	—	—	190	—	191.7	174	177	159	195	X
—	—	—	188	—	188.3	172	173	166	194	XI
—	—	—	183	194.11	188.7	173	175	165	192	XII
										1923
—	—	—	184	198.38	190.2	176	176	175	199	I
—	—	—	192	206.47	198.3	183	183	184	214	II
—	—	—	196	213.10	200.1	185	184	193	212	III
—	—	—	196	210.48	200.3	185	185	186	214	IV
—	—	—	199	212.41	201.1	187	188	180	213	V
—	—	—	198	210.13	196.8	186	187	184	198	VI
—	—	—	192	206.16	193.6	183	184	173	192	VII
—	—	—	190	201.40	191.1	179	182	164	185	VIII
—	—	—	210	206.18	197.1	191	193	178	196	IX
—	—	—	212	210.23	199.0	196	198	187	207	X
—	—	—	210	216.03	203.9	199	199	199	205	XI
—	—	—	211	222.33	203.0	205	205	205	211	XII
										1924
180	186	159	211	221.36	204.7	205	204	211	215	I
181	186	162	208	223.29	204.9	200	199	205	211	II
180	185	159	206	221.11	206.9	200	200	199	207	III
178	184	155	207	220.44	209.4	201	199	214	198	IV
177	186	143	205	219.00	208.8	200	197	216	192	V
178	187	142	200	213.00	202.4	189	186	208	175	VI
174	186	132	195	207.47	207.8	191	187	208	178	VII
177	186	146	200	216.06	209.7	196	194	207	194	VIII
177	186	148	206	222.36	216.5	198	200	189	200	IX
175	185	144	213	229.35	219.8	206	208	200	204	X
173	180	149	214	236.40	224.2	210	212	202	213	XI
179	185	154	213	237.33	228.9	209	210	202	214	XII

a) Nouvelle série. *b*) Moyennes mensuelles. *c*) Chiffres annuels: fin juillet; chiffres mensuels: fin du mois.
(*a*) New series. (*b*) Monthly averages. (*c*) Yearly figures: end of July; monthly figures: end of month.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: *b*) POURCENTAGES PAR RAPPORT A 1913 *(suite.)*

Pays Country	AUSTRALIE — AUSTRALIA				Nouvelle ZELANDE NEW ZEALAND	UNION DE L'AFRIQUE DU SUD UNION OF SOUTH AFRICA			EGYPTE — EGYPT	
	Officiel — Official					Officiel — Official			Officiel — Official	
Source	Melbourne	Sydney			Officiel Official	Total	Prod.	Import.	Cairo	Alexandria
		Total	Prod. austr. Austr. Prod.	Import.						
Base	1911	1911			1909-1913	1910			I. 1913-VII. 1914	
Moyennes Averages										
1913	100	100	100	100	100	100	100	100	100	100
1914	106	104	107	99	104	97	93	109		
1915	147	128	138	109	123	107	99	130	103	103
1916	138	136	133	143	134	123	108	162	128	(126)
1917	153	158	142	190	151	141	117	206	176	180
1918	178	177	150	231	175	153	121	242	211	209
1919	189	191	179	217	178	165	136	248	231	228
1920	228	229	212	266	212	223	192	313	316	317
1921	175	179	168	203	201	160	131	246	173	180
1922	162	165	155	185	178	128	109	184	146	144
1923	179	176	170	189	175	127	110	174	132	130
1924	173	172	—	—	180	129	115	169	143	141
1922	*a*)	*a*)			*b*)	*a*)	*a*)	*a*)	*a*)	*a*)
I	154	162	—	—	186	131	108	196	156	164
II	154	158	—	—	181	—	—	—	152	163
III	153	158	—	—	180	—	—	—	153	145
IV	155	159	—	—	180	128	108	184	148	146
V	162	163	—	—	177	—	—	—	141	143
VI	163	165	—	—	175	—	—	—	139	139
VII	164	168	—	—	177	126	108	180	138	140
VIII	163	170	—	—	177	—	—	—	139	140
IX	165	170	—	—	175	—	—	—	138	139
X	167	168	—	—	174	129	113	176	140	140
XI	170	165	—	—	176	—	—	—	144	144
XII	168	171	—	—	173	—	—	—	147	146
1923										
I	170	169	—	—	171	131	115	176	141	141
II	169	167	—	—	173	—	—	—	137	135
III	171	171	—	—	174	—	—	—	136	132
IV	174	173	—	—	174	126	109	176	133	129
V	178	176	—	—	176	—	—	—	134	131
VI	187	183	—	—	177	—	—	—	128	127
VII	189	187	—	—	176	124	106	175	123	122
VIII	184	183	—	—	175	—	—	—	120	120
IX	180	182	—	—	177	—	—	—	123	123
X	179	172	—	—	176	125	110	171	129	129
XI	181	177	—	—	175	—	—	—	134	134
XII	182	176	—	—	174	—	—	—	137	137
1924										
I	182	178	—	—	175	131	118	169	133	133
II	180	176	—	—	180	—	—	—	135	135
III	175	172	—	—	180	—	—	—	136	135
IV	174	170	—	—	178	126	111	169	134	133
V	173	171	—	—	179	—	—	—	135	133
VI	171	172	—	—	180	—	—	—	131	130
VII	170	170	—	—	180	125	110	167	132	130
VIII	169	173	—	—	181	—	—	—	143	139
IX	170	167	—	—	181	—	—	—	148	146
X	171	169	—	—	181	133	119	170	156	154
XI	171	171	—	—	181	—	—	—	158	157
XII	173	174	—	—	181	—	—	—	156	153

a) Moyennes mensuelles. *b*) 15 du mois.

(*a*) Monthly averages. (*b*) 15th of month.

Table VIII.

INDEX NUMBERS OF WHOLESALE PRICES: (*b*) PERCENTAGES OF 1913 *(continued)*.

CANADA									Pays Country
Dominion Bureau of Statistics	Depart. of Labour	Bank of Commerce		Michell (Labor Gazette)	Federal Reserve Board				Source
		Import.	Export.		Total	Prod.	Import.	Export.	
1913	1890-1899	1909-1913		1900-1909	1913				Base
		b)	*b*)						Moyennes Averages
100.0	100	100	100	—	100	100	100	100	1913
102.3	100	90	103	100	—	—	—	—	1914
109.9	109	106	112	—	—	—	—	—	1915
131.6	134	131	128	—	—	—	—	—	1916
178.5	175	195	182	—	—	—	—	—	1917
199.0	205	205	202	—	—	—	—	—	1918
209.2	216	205	216	200	207	207	204	220	1919
243.5	246	252	263	217	250	249	253	268	1920
171.8	182	139	154	155	167	168	164	181	1921
152.0	166	150	150	140	149	147	160	145	1922
153.0	165	155	151	151	150	147	167	143	1923
155.1	165	150	142	150	147	145	160	145	1924
a)	*a*)	*b*)	*b*)	*c*)	*a*)	*a*)	*a*)	*a*)	1922
151.7	168	137	143	141	144	143	151	139	I
153.5	169	135	146	140	149	148	150	152	II
153.6	166	134	144	137	150	150	150	151	III
153.7	166	132	148	138	152	152	151	153	IV
153.9	167	134	153	137	154	153	157	154	V
152.7	165	143	148	140	153	151	162	149	VI
154.1	166	150	150	141	154	153	165	154	VII
151.7	164	159	150	141	149	146	166	144	VIII
147.4	163	154	145	139	144	140	170	133	IX
148.1	162	154	141	142	145	141	171	134	X
151.9	164	151	142	144	147	143	165	138	XI
153.1	165	150	142	145	147	143	167	138	XII
									1923
151.4	165	153	148	147	148	145	170	140	I
153.6	166	153	147	150	152	149	170	146	II
155.9	167	160	150	153	155	152	173	151	III
156.9	168	155	148	150	156	153	173	152	IV
155.2	169	156	150	153	155	152	171	148	V
155.5	167	155	150	151	153	151	166	146	VI
153.5	166	155	151	151	151	149	164	142	VII
153.5	164	153	151	152	150	148	162	142	VIII
154.6	163	152	149	153	149	146	163	142	IX
153.1	163	152	148	149	147	144	165	138	X
153.3	164	151	144	151	145	141	165	134	XI
153.5	164	153	143	151	144	139	165	131	XII
									1924
156.7	164	153	146	152	146	143	166	133	I
156.6	166	154	147	154	148	146	167	135	II
154.3	166	154	146	151	147	145	165	132	III
151.1	164	152	142	148	143	141	159	130	IV
150.6	163	150	143	148	143	141	159	132	V
152.2	163	147	143	147	145	143	156	138	VI
153.3	164	150	142	150	147	146	156	148	VII
156.8	165	152	146	150	149	148	157	152	VIII
153.8	164	149	144	148	146	145	155	150	IX
157.0	165	150	147	148	148	147	157	160	X
157.7	165	152	147	149	148	147	160	161	XI
160.9	168	152	152	151	149	148	159	164	XII

a) Moyennes mensuelles. *b*) Chiffres annuels: juillet; chiffres mensuels: milieu du mois. *c*) Fin du mois.

(*a*) Monthly averages. (*b*) Yearly figures: July; monthly figures: middle of month. (*c*) End of month.

Tableau VIII.

NOMBRES INDICES DES PRIX DE GROS: (*b*) POURCENTAGES PAR RAPPORT A 1913 *(fin)*.

Pays Country	ETATS-UNIS — UNITED STATES											PEROU PERU
Source	Bureau of Labor Statistics	Annalist	Babson	Bradstreet	Dun's Review	Federal Reserve Board				Irving Fisher	Gibson	Officiel Official
						Total	Production	Import.	Export.			
Base	1913	1890-1899	1900-1909	—	—	1913				1913	—	1913
Moyennes Averages												
1913	100	100	100	100	100	100	100	100	100	100	100	100
1914	98	104	93	97	101	—	—	—	—	—	105	104.0
1915	101	106	98	107	104	—	—	—	—	—	110	120.0
1916	127	126	133	128	122	—	—	—	—	—	129	145.9
1917	177	187	189	170	169	—	—	—	—	—	191	175.8
1918	194	205	202	203	190	—	—	—	—	—	211	212.5
1919	206	211	199	203	190	211	214	174	221	—	209	219.8
1920	226	202	261	204	205	239	242	191	235	—	219	238.1
1921	147	125	151	123	141	149	152	108	136	—	124	204.6
1922	149	133	157	132	142	158	160	123	157	—	122	189.8
1923	154	127	165	145	157	165	166	147	183	157.7	127	189.1
1924	150	136	155	139	157	159	161	141	178	149.3	136	191.9
1922	*a*)	*b*)	*a*)	*c*)	*c*)	*a*)	*a*)	*a*)	*a*)	*a*)	*a*)	*d*)
I	138	114	152	124	136	142	145	110	139	—	111	189.4
II	141	124	150	126	140	146	149	110	142	—	121	191.4
III	142	130	150	125	138	147	150	111	144	—	126	189.8
IV	143	131	149	127	139	149	152	115	144	—	127	187.3
V	148	132	157	129	141	158	161	119	155	—	128	185.8
VI	150	131	159	131	144	161	164	124	163	—	124	191.3
VII	155	138	156	131	144	165	168	128	165	—	125	191.4
VIII	155	141	158	131	143	166	169	127	162	—	116	193.4
IX	153	141	161	136	145	164	167	127	157	—	116	190.2
X	154	138	162	145	151	165	168	134	163	—	120	189.0
XI	156	140	165	150	153	164	166	136	173	—	124	188.2
XII	156	135	165	149	154	165	167	137	174	—	126	190.6
1923												
I	156	133	166	149	154	166	168	139	180	157.0	124	184.5
II	157	130	175	151	158	166	168	145	187	162.1	124	189.6
III	159	132	180	151	160	169	171	153	193	166.1	130	187.9
IV	159	133	177	148	160	170	172	155	186	167.0	134	190.4
V	156	129	171	145	158	167	169	155	179	162.5	130	191.3
VI	153	123	166	142	156	164	166	148	182	158.3	124	190.5
VII	151	123	163	139	154	159	161	141	170	153.4	125	191.4
VIII	150	122	162	140	156	159	161	136	166	153.6	126	187.4
IX	154	127	157	142	158	163	165	144	176	155.3	129	185.7
X	153	127	158	143	159	163	165	150	182	155.4	130	188.0
XI	152	126	155	146	158	163	165	147	196	152.0	128	190.5
XII	151	125	154	144	157	163	165	148	199	150.6	126	192.4
1924												
I	151	126	158	143	158	163	165	143	196	151.4	128	189.5
II	152	133	163	140	158	163	164	148	189	153.4	131	188.8
III	150	137	163	137	155	160	161	145	179	148.7	133	193.9
IV	148	130	162	136	153	158	159	140	182	145.9	132	195.4
V	147	125	158	133	152	156	158	133	183	144.8	127	191.5
VI	145	125	152	133	153	154	157	129	179	143.0	125	191.7
VII	147	126	149	137	156	156	159	132	180	145.2	133	191.7
VIII	150	135	149	139	156	158	160	139	177	147.7	139	193.1
IX	149	134	149	141	158	156	158	143	163	148.9	139	189.5
X	152	140	148	145	160	159	160	146	167	151.8	144	191.6
XI	153	141	151	147	164	160	161	150	169	153.5	145	191.1
XII	157	147	154	151	168	165	166	149	171	155.9	153	194.7

a) Moyennes mensuelles. *b*) Semaine choisie vers le milieu du mois. *c*) 1er du mois suivant. *d*) 15 du mois.

(*a*) Monthly averages. (*b*) Week chosen towards the middle of month. (*c*) First day of following month. (*d*) 15th of month.

TABLEAU IXa. — TABLE IXa.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle) divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

Moyennes de / Averages of	ALLEMAGNE — GERMANY[1]			AUTRICHE — AUSTRIA			BELGIQUE — BELGIUM		
	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Différence	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference
1922	a	b	c	a.	b.	c.	a.	b.	c.
I				84,855	62,167	— 27	265	247	— 7
II				92,908	69,869	— 25	252	233	— 8
III				95,986	132,848	+ 38	246	228	— 7
IV				107,343	151,492	+ 41	241	226	— 6
V				131,419	179,508	+ 37	235	231	— 2
VI				212,267	291,121	+ 37	237	234	— 1
VII				363,097	533,211	+ 47	232	247	+ 6
VIII				778,452	1,125,667	+ 45	232	254	+ 9
IX				1,157,582	1,447,286	+ 25	238	266	+ 12
X				1,138,442	1,447,286	+ 27	250	280	+ 12
XI				1,070,192	1,473,600	+ 38	262	304	+ 16
XII				1,034,744	1,447,286	+ 40	261	292	+ 12
1923									
I				1,088,846	1,447,286	+ 33	278	318	+ 14
II				1,096,497	1,447,286	+ 32	302	357	+ 18
III				1,164,843	1,447,286	+ 24	303	352	+ 16
IV				1,179,748	1,447,286	+ 23	302	335	+ 11
V				1,214,423	1,447,286	+ 19	304	337	+ 11
VI				1,198,628	1,447,286	+ 21	316	357	+ 13
VII				1,184,967	1,447,286	+ 22	334	395	+ 18
VIII				1,104,933	1,447,286	+ 31	353	424	+ 20
IX				1,155,455	1,447,286	+ 25	334	394	+ 18
X				1,150,131	1,447,286	+ 26	337	379	+ 12
XI				1,170,724	1,447,286	+ 24	349	407	+ 17
XII				1,204,040	1,447,286	+ 20	361	421	+ 17
1924									
I	78	105	+ 35	1,241,589	1,447,286	+ 17	384	461	+ 20
II	76	109	+ 43	1,260,395	1,447,286	+ 15	422	503	+ 19
III	80	108	+ 35	1,274,667	1,447,286	+ 14	417	499	+ 20
IV	84	108	+ 29	1,315,203	1,447,286	+ 10	375	369	— 2
V	83	105	+ 27	1,324,150	1,447,286	+ 9	378	397	+ 5
VI	80	102	+ 28	1,260,828	1,447,286	+ 15	390	423	+ 8
VII	78	100	+ 28	1,301,565	1,447,286	+ 11	385	424	+ 10
VIII	80	100	+ 25	1,342,400	1,447,286	+ 8	365	384	+ 5
IX	85	100	+ 18	1,300,201	1,447,286	+ 11	369	391	+ 6
X	86	100	+ 16	1,321,447	1,447,286	+ 10	365	402	+ 10
XI	84	100	+ 19	1,357,255	1,447,286	+ 7	372	399	+ 7
XII	84	100	+ 19	1,321,911	1,447,286	+ 9	361	389	+ 8

[1] Prix et changes en marks-or (1 mark-or = mille milliards de marks-papier).
[1] Prices and exchange calculated in gold marks (1 gold mark = 1,000,000,000,000 paper marks).

Tableau IX a *(suite)*. — Table IX a *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle), divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

Moyennes de / Averages of	DANEMARK — DENMARK			ESPAGNE — SPAIN			FINLANDE — FINLAND		
	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference
1922	a.	b.	c.	a.	b.	c.	a.	b.	c.
I	129	134	+ 4	130	129	— 1	915	1013	+ 11
II	127	130	+ 2	127	123	— 3	889	956	+ 8
III	127	127	—	125	123	— 2	876	940	+ 7
IV	124	126	+ 2	126	124	— 2	881	995	+ 13
V	120	126	+ 5	120	123	+ 3	839	923	+ 10
VI	120	124	+ 3	119	123	+ 3	819	880	+ 7
VII	116	124	+ 7	113	124	+ 10	786	896	+ 14
VIII	115	124	+ 8	113	124	+ 10	794	905	+ 14
IX	116	127	+ 9	114	126	+ 11	800	884	+ 11
X	116	133	+ 15	112	127	+ 13	770	820	+ 6
XI	116	133	+ 15	112	126	+ 13	731	749	+ 2
XII	116	130	+ 12	110	123	+ 12	737	766	+ 4
1923									
I	120	135	+ 13	109	123	+ 13	727	776	+ 7
II	125	140	+ 12	108	123	+ 14	718	739	+ 3
III	125	140	+ 12	108	125	+ 16	697	699	—
IV	127	142	+ 12	109	126	+ 16	689	700	+ 2
V	130	144	+ 11	110	127	+ 15	701	696	— 1
VI	134	149	+ 11	111	129	+ 16	716	696	— 3
VII	137	153	+ 12	113	135	+ 19	715	696	— 3
VIII	136	145	+ 7	114	141	+ 24	720	695	— 3
IX	132	148	+ 12	113	142	+ 26	707	716	+ 1
X	135	153	+ 13	112	143	+ 28	704	719	+ 2
XI	137	156	+ 14	114	147	+ 29	704	729	+ 4
XII	139	150	+ 8	117	148	+ 26	726	775	+ 7
1924									
I	143	158	+ 10	118	151	+ 28	709	772	+ 9
II	148	168	+ 14	118	151	+ 28	709	766	+ 8
III	152	171	+ 13	120	151	+ 26	729	764	+ 5
IV	153	161	+ 5	124	141	+ 14	740	766	+ 4
V	151	158	+ 5	122	140	+ 15	741	767	+ 4
VI	151	160	+ 6	123	143	+ 16	750	768	+ 2
VII	154	167	+ 8	124	145	+ 17	738	768	+ 4
VIII	155	165	+ 6	121	144	+ 19	741	766	+ 3
IX	156	158	+ 1	123	146	+ 19	750	766	+ 2
X	153	155	+ 1	122	144	+ 18	733	766	+ 5
XI	151	153	+ 1	118	142	+ 20	732	763	+ 4
XII	148	152	+ 3	126	138	+ 10	725	763	+ 5

Tableau IX a *(suite)*. — Table IX a *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle) divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

Moyennes de / Averages of	FRANCE			HONGRIE — HUNGARY			ITALIE — ITALY		
	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference
1922	a.	b.	c.	a.	b.	c.	a.	b.	c.
I	232	237	+ 2		13,400		425	443	+ 4
II	220	222	+ 1		13,545		404	398	— 1
III	217	214	— 1		16,262		386	376	— 3
IV	218	209	— 4		16,151		371	359	— 3
V	213	212	—		16,090		355	367	+ 3
VI	214	220	+ 3		18,908		354	387	+ 9
VII	210	234	+ 11		27,221		353	422	+ 20
VIII	212	241	+ 14		35,215		364	426	+ 17
IX	216	252	+ 17		48,134		377	450	+ 19
X	217	260	+ 20		50,458		384	461	+ 20
XI	221	282	+ 28		49,186		384	434	+ 13
XII	229	268	+ 17		47,126		377	386	+ 2
1923									
I	240	289	+ 20		51,846		370	395	+ 7
II	258	314	+ 22		53,344		369	401	+ 9
III	266	305	+ 15		72,675		368	397	+ 8
IV	264	289	+ 9		94,096		370	389	+ 5
V	264	291	+ 10		106,244		375	399	+ 6
VI	267	306	+ 15		150,214		376	422	+ 12
VII	270	328	+ 21		244,339		376	446	+ 19
VIII	274	342	+ 25		362,763		378	448	+ 19
IX	272	330	+ 21		365,972		369	435	+ 18
X	276	324	+ 17		372,598		370	427	+ 15
XI	285	350	+ 23		377,297		373	443	+ 19
XII	299	368	+ 23		386,713		380	445	+ 17
1924									
I	315	414	+ 31	602,020	533,134	— 11	380	445	+ 17
II	341	437	+ 28	942,664	622,747	— 34	376	444	+ 18
III	348	412	+ 18	1,305,267	1,365,455	+ 5	384	451	+ 17
IV	321	313	— 2	1,422,736	1,500,527	+ 5	391	434	+ 11
V	309	333	+ 8	1,498,027	1,702,109	+ 14	391	435	+ 11
VI	319	367	+ 15	1,543,931	1,792,877	+ 16	392	445	+ 14
VII	322	377	+ 17	1,531,395	1,688,500	+ 10	386	448	+ 16
VIII	319	353	+ 11	1,512,167	1,573,600	+ 4	380	434	+ 14
IX	323	364	+ 13	1,502,886	1,558,616	+ 4	387	440	+ 14
X	323	369	+ 14	1,487,434	1,558,616	+ 5	389	444	+ 14
XI	327	366	+ 12	1,501,536	1,558,616	+ 4	399	445	+ 12
XII	322	357	+ 11	1,482,834	1,558,616	+ 5	401	449	+ 12

TABLEAU IXa *(suite)*. — TABLE IXa *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle), divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

Moyennes de / Averages of	NORVÈGE — NORWAY			PAYS-BAS — NETHERLANDS			POLOGNE — POLAND [2]		
	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Différence	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapport des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Différence
1922	a [1].	b.	c.	a.	b.	c.	a.	b.	c.
I	192	171	— 11	118	110	— 7			
II	182	160	— 12	117	107	— 9			
III	174	152	— 13	115	106	— 8			
IV	166	144	— 13	114	106	— 7			
V	158	145	— 8	111	104	— 6			
VI	154	157	+ 2	110	104	— 5			
VII	149	161	+ 8	106	104	— 2			
VIII	148	156	+ 5	101	104	+ 3			
IX	148	159	+ 7	99	104	+ 5			
X	145	150	+ 3	101	103	+ 2			
XI	142	145	+ 2	101	103	+ 2			
XII	141	142	+ 1	99	101	+ 2			
1923									
I	143	143	—	101	102	+ 1			
II	141	144	+ 2	99	102	+ 3			
III	143	148	+ 3	98	102	+ 4			
IV	144	150	+ 4	98	103	+ 5			
V	149	162	+ 9	96	103	+ 7			
VI	152	161	+ 6	97	103	+ 6			
VII	153	165	+ 8	96	102	+ 6			
VIII	155	164	+ 6	95	102	+ 7			
IX	151	167	+ 11	94	102	+ 9			
X	154	173	+ 12	97	103	+ 6			
XI	160	183	+ 14	101	106	+ 5			
XII	164	180	+ 10	102	106	+ 4			
1924									
I	166	190	+ 14	103	108	+ 5			
II	172	201	+ 17	104	107	+ 3	73	99	+ 36
III	176	197	+ 12	103	108	+ 5	74	95	+ 28
IV	178	194	+ 9	104	108	+ 4	74	94	+ 27
V	178	193	+ 8	104	107	+ 3	73	95	+ 30
VI	181	198	+ 9	104	107	+ 3	71	100	+ 41
VII	180	199	+ 11	103	106	+ 3	69	100	+ 45
VIII	181	193	+ 7	101	104	+ 3	71	100	+ 41
IX	183	194	+ 6	106	105	— 1	74	100	+ 35
X	180	188	+ 4	106	103	— 3	75	100	+ 33
XI	180	182	+ 1	105	100	— 5	76	100	+ 32
XII	178	178	—	102	99	— 3	75	100	+ 33

[1] Pour 1922 on a utilisé l'indice de l'*Økonomisk Revue*, ensuite l'indice officiel. Les résultats dans les deux cas sont pratiquement les mêmes.

[2] Prix et changes en zloty's (1 zloty = 1.800.000 marks polonais).

[1] For 1922 the *Økonomisk Revue* index has been utilised, thence the official index. The results are both practically the same.

[2] Prices and exchanges calculated in zlotys (1 zloty = 1,800,000 Polish marks).

Tableau IX a *(suite)*. — Table IX a *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX.
EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle), divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*c*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*c*) expressed as a percentage of column (*a*).

Moyennes de Averages of	ROYAUME-UNI UNITED KINGDOM			RUSSIE — RUSSIA			SUÈDE — SWEDEN		
	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference
1922	a.	b.	c.	a.	b.	c.	a.	b.	c.
I	119	115	— 3				131	107	— 18
II	115	112	— 3				127	102	— 20
III	113	111	— 2				125	103	— 18
IV	112	110	— 2				122	103	— 16
V	109	109	—				118	104	— 12
VI	107	109	+ 2				116	104	— 10
VII	103	109	+ 6				112	103	— 8
VIII	101	109	+ 8				112	102	— 9
IX	101	110	+ 9				111	101	— 9
X	101	110	+ 9				110	101	— 8
XI	101	109	+ 8				104	100	— 4
XII	100	106	+ 6				104	99	— 5
1923									
I	101	105	+ 4				104	100	— 4
II	100	104	+ 3				105	101	— 4
III	101	104	+ 3				106	101	— 5
IV	102	105	+ 3				106	101	— 5
V	103	105	+ 3				106	101	— 5
VI	104	105	+ 1				107	101	— 6
VII	104	106	+ 2				107	101	— 6
VIII	103	107	+ 4				108	101	— 6
IX	103	107	+ 4				105	101	— 4
X	103	108	+ 5				105	101	— 4
XI	106	111	+ 5				105	102	— 3
XII	108	112	+ 4				106	102	— 4
1924									
I	110	114	+ 4	118	112	— 5	107	102	— 5
II	110	113	+ 3	125	111	— 11	107	102	— 5
III	110	113	+ 3	125	103	— 18	108	102	— 6
IV	111	112	+ 1	120	99	— 17	109	102	— 6
V	111	112	+ 1	116	99	— 15	109	101	— 7
VI	112	113	+ 1	116	100	— 14	109	101	— 7
VII	111	111	—	117	100	— 15	107	101	— 6
VIII	110	108	— 2	116	100	— 14	107	101	— 6
IX	112	109	— 3	113	100	— 12	109	101	— 7
X	112	108	— 4	108	100	— 7	110	101	— 8
XI	111	106	— 5	108	100	— 7	109	100	— 8
XII	108	104	— 4	108	100	— 7	107	99	— 7

Tableau IX a *(suite)*. — Table IX a *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle) divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

Moyennes de / Averages of	SUISSE — SWITZERLAND			TCHÉCOSLOVAQUIE / CZECHOSLOVAKIA			INDES ANGLAISES / BRITISH INDIA		
	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference
	a.	b.	c.	a.	b.	c.	a.	b.	c.
1922									
I	127	99	— 22	1,144	1,186	+ 4	130	113	— 13
II	122	99	— 19	1,075	1,086	+ 1	127	111	— 13
III	119	99	— 17	1,054	1,163	+ 10	127	113	— 11
IV	114	99	— 13	1,018	1,032	+ 1	127	113	— 11
V	110	100	— 9	976	1,055	+ 8	125	109	— 13
VI	109	101	— 7	959	1,053	+ 10	123	110	— 11
VII	106	101	— 5	902	929	+ 3	117	110	— 6
VIII	107	101	— 6	808	725	— 10	116	111	— 4
IX	108	102	— 6	713	621	— 13	116	111	— 4
X	109	105	— 4	665	614	— 8	115	111	— 3
XI	110	105	— 5	638	638	—	114	108	— 5
XII	111	102	— 8	634	652	+ 3	113	105	— 7
1923									
I	112	103	— 8	640	709	+ 11	114	101	— 11
II	114	103	— 10	642	685	+ 7	114	101	— 11
III	115	104	— 10	636	682	+ 7	114	101	— 11
IV	117	106	— 9	634	680	+ 7	113	102	— 10
V	118	107	— 9	635	680	+ 7	114	103	— 10
VI	118	108	— 8	629	677	+ 8	115	103	— 10
VII	118	110	— 7	626	676	+ 8	114	104	— 9
VIII	116	107	— 8	628	691	+ 10	114	105	— 8
IX	115	108	— 6	618	677	+ 10	112	105	— 6
X	119	108	— 9	625	682	+ 9	114	104	— 9
XI	120	110	— 8	632	697	+ 10	115	103	— 10
XII	121	111	— 8	643	693	+ 8	118	103	— 13
1924									
I	121	111	— 8	653	699	+ 7	116	105	— 9
II	120	111	— 7	664	698	+ 5	115	105	— 9
III	121	112	— 7	676	698	+ 3	119	107	— 10
IV	122	110	— 10	679	685	+ 1	119	106	— 11
V	122	109	— 11	670	689	+ 3	119	104	— 13
VI	121	109	— 10	662	690	+ 4	121	105	— 13
VII	117	106	— 9	660	686	+ 4	121	103	— 15
VIII	114	103	— 10	656	680	+ 4	120	99	— 17
IX	114	102	— 11	665	677	+ 2	120	98	— 18
X	111	101	— 9	662	680	+ 3	118	94	— 20
XI	111	100	— 10	666	678	+ 2	118	93	— 21
XII	108	100	— 7	659	671	+ 2	113	91	— 19

[1] Selon la parité d'avant-guerre. [1] Based on pre-war parity.

Tableau IX a *(suite)*. — Table IX a *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice de chaque pays (moyenne mensuelle), divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of country mentioned (monthly average) divided by U.S A. **Bureau of Labor Statistics** index number and multiplied by 100.
Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.
Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

Moyennes des Averages of	INDES NÉERLANDAISES DUTCH EAST INDIES			JAPON — JAPAN			CANADA		
	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différences en pour cent % Difference	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference
1922	a[1].	b.	c.	a.	b.	c.	a.	b.	c.
I		110		149	103	— 31	110	105	— 5
II		107		145	104	— 28	109	103	— 6
III	137	107	— 22	141	105	— 26	108	103	— 5
IV		107		138	105	— 24	108	102	— 6
V		105		131	105	— 20	104	101	— 3
VI	132	105	— 20	132	104	— 21	102	101	— 1
VII		105		130	103	— 21	99	101	+ 2
VIII		104		126	104	— 17	98	100	+ 2
IX	129	104	— 19	126	103	— 18	96	100	+ 4
X		105		124	103	— 17	96	100	+ 4
XI		105		121	103	— 15	97	100	+ 3
XII	126	105	— 17	117	102	— 13	98	101	+ 3
1923									
I		102		118	102	— 14	97	101	+ 4
II		103		122	103	— 16	98	101	+ 3
III	128	103	— 20	123	103	— 16	98	102	+ 4
IV		104		123	102	— 17	99	102	+ 3
V		105		128	102	— 20	100	102	+ 2
VI	131	105	— 20	129	102	— 21	102	102	—
VII	128	105	— 18	127	102	— 20	102	103	+ 1
VIII	127	105	— 17	127	102	— 20	102	102	—
IX	125	105	— 16	136	103	— 24	100	102	+ 2
X	127	106	— 17	138	102	— 26	100	102	+ 2
XI	130	107	— 18	138	103	— 25	101	102	+ 1
XII	137	108	— 21	139	106	— 24	102	102	—
1924									
I	119	111	— 7	140	111	— 21	104	103	— 1
II	119	111	— 7	137	110	— 20	103	103	—
III	120	111	— 7	137	116	— 15	103	103	—
IV	120	111	— 7	140	122	— 13	102	102	—
V	120	111	— 7	139	124	— 11	102	102	—
VI	123	111	— 10	138	121	— 12	105	102	— 3
VII	118	109	— 8	133	121	— 9	105	101	— 4
VIII	118	106	— 10	133	121	— 9	105	100	— 5
IX	119	106	— 11	139	123	— 12	103	100	— 3
X	115	105	— 9	140	128	— 9	103	100	— 3
XI	113	103	— 9	140	129	— 8	103	100	— 3
XII	114	100	— 12	136	130	— 4	102	100	— 2

[1] Pour 1922 et 1923 on a utilisé l'ancien indice portant sur 36 marchandises, pour 1924 le nouvel indice élargi.
[1] For 1922 and 1923 the old index number based on 36 articles has been utilised, for 1924 the new enlarged index.

Tableau IX *(suite)*. — Table IX *(continued)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

a *(fin — concluded)*

Col *a*. Nombre-indice du Pérou divisé par l'indice du **Bureau of Labor Statistics** des Etats-Unis et multiplié par 100.
Index number of Peru divided by U.S.A. **Bureau of Labor Statistics** index number and multiplied by 100.

Col. *b*. Prix du dollar en monnaie du pays, comme pourcentage du prix au pair.
Cost of dollar in currency of country as percentage of its cost at par.

Col. *c*. Différence entre (*b*) et (*a*) exprimée en pourcentage de (*a*).
Difference between columns (*b*) and (*a*) expressed as a percentage of column (*a*).

b

Col. *a*. Nombre-indice du **Federal Reserve Board** pour chaque pays divisé par celui du **Federal Reserve Board** des Etats-Unis et multiplié par 100.
Index number of the **Federal Reserve Board** for the country mentioned divided by the index of the **Federal Reserve Board** for U.S.A. and multiplied by 100.

Col. *b*. et *c*. calculées de la même manière que dans les séries précédentes.
Calculated in the same manner as in the preceding series.

Moyennes de / Averages of	PÉROU — PERU			FRANCE			ROYAUME-UNI / UNITED KINGDOM		
	Rapport des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapport des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference	Rapports des indices / Relative Prices	Cours du change / Exchange Rates	Différence en pour cent / % Difference
1922	a.	b.	c.	a.	b.	c.	a.	b.	c.
I	137	137	—	215	237	+ 10	118	115	— 3
II	136	136	—	208	222	+ 7	113	112	— 1
III	134	141	+ 5	209	214	+ 2	113	111	— 2
IV	131	139	+ 6	215	209	— 3	111	110	— 1
V	126	130	+ 3	205	212	+ 3	107	109	+ 2
VI	128	122	— 5	202	220	+ 9	104	109	+ 5
VII	123	120	— 2	199	234	+ 18	102	109	+ 7
VIII	125	120	— 4	193	241	+ 25	100	109	+ 9
IX	124	121	— 2	192	252	+ 31	99	110	+ 11
X	123	124	+ 1	191	260	+ 36	97	110	+ 13
XI	121	121	—	201	282	+ 40	99	109	+ 10
XII	122	116	— 5	204	268	+ 31	99	106	+ 7
1923									
I	118	117	— 1	208	289	+ 39	99	105	+ 6
II	121	119	— 2	229	314	+ 37	101	104	+ 3
III	118	118	—	236	305	+ 29	102	104	+ 2
IV	120	113	— 6	229	289	+ 26	103	105	+ 2
V	123	113	— 8	231	291	+ 26	104	105	+ 1
VI	125	113	— 10	240	306	+ 28	104	105	+ 1
VII	127	114	— 10	246	328	+ 33	106	106	—
VIII	125	118	— 6	246	342	+ 39	103	107	+ 4
IX	121	118	— 2	248	330	+ 33	101	107	+ 6
X	123	119	— 3	248	324	+ 31	102	108	+ 6
XI	125	119	— 5	255	350	+ 37	105	111	+ 6
XII	127	121	— 5	262	368	+ 40	109	112	+ 3
1924									
I	125	122	— 2	273	414	+ 52	109	114	+ 5
II	124	122	— 2	288	437	+ 52	110	113	+ 3
III	129	122	— 5	302	412	+ 36	113	113	—
IV	132	122	— 8	271	313	+ 15	115	112	— 3
V	130	118	— 9	274	333	+ 22	113	112	— 1
VI	132	118	— 11	287	367	+ 28	113	113	—
VII	130	118	— 9	282	377	+ 34	112	111	— 1
VIII	129	117	— 9	280	353	+ 26	109	108	— 1
IX	127	118	— 7	279	364	+ 30	110	109	— 1
X	126	118	— 6	278	369	+ 33	110	108	— 2
XI	125	116	— 7	281	366	+ 30	110	106	— 4
XII	124	116	— 6	273	357	+ 31	107	104	— 3

Tableau IX b *(fin)*. — Table IX b *(concluded)*.

FLUCTUATIONS DES CHANGES ET MOUVEMENTS COMPARÉS DES PRIX. EXCHANGE FLUCTUATIONS AND RELATIVE PRICE MOVEMENTS.

Col. *a*. Nombre-indice du **Federal Reserve Board** pour chaque pays, divisé par celui du **Federal Reserve Board** des Etats-Unis et multiplié par 100 [1].
Index number of the **Federal Reserve Board** for the country mentioned divided by the index of the **Federal Reserve Board** for U. S. A. and multiplied by 100 [1].

Col. *b*. et *c*. calculées de la même manière que dans les séries précédentes.
Calculated in the same manner as in the preceding series.

Moyennes de Averages of	SUÈDE — SWEDEN [1]			JAPON — JAPAN			CANADA		
	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference	Rapports des indices Relative Prices	Cours du change Exchange Rates	Différence en pour cent % Difference
1922	a.	b.	c.	a.	b.	c.	a.	b.	c.
I	120	107	— 11	135	103	— 24	101	105	+ 4
II	114	102	— 11	127	104	— 18	102	103	+ 1
III	111	103	— 7	124	105	— 15	102	103	+ 1
IV	109	103	— 6	121	105	— 13	102	102	—
V	103	104	+ 1	116	105	— 9	97	101	+ 4
VI	101	104	+ 3	116	104	— 10	95	101	+ 6
VII	99	103	+ 4	118	103	— 13	93	101	+ 9
VIII	99	102	+ 3	113	104	— 8	90	100	+ 11
IX	99	101	+ 2	109	103	— 6	88	100	+ 14
X	96	101	+ 5	105	103	— 2	88	100	+ 14
XI	96	100	+ 4	105	103	— 2	90	100	+ 11
XII	96	99	+ 3	105	102	— 3	89	101	+ 13
1923									
I	95	100	+ 5	106	102	— 4	89	101	+ 13
II	95	101	+ 6	110	103	— 6	92	101	+ 10
III	95	101	+ 6	109	103	— 6	92	102	+ 11
IV	95	101	+ 6	109	102	— 6	92	102	+ 11
V	96	101	+ 5	112	102	— 9	93	102	+ 10
VI	97	101	+ 4	113	102	— 10	93	102	+ 10
VII	99	101	+ 2	115	102	— 11	95	103	+ 8
VIII	99	101	+ 2	113	102	— 10	94	102	+ 9
IX	98	101	+ 3	117	103	— 12	91	102	+ 12
X	98	101	+ 3	120	102	— 15	90	102	+ 13
XI	98	102	+ 4	122	103	— 16	89	102	+ 15
XII	96	102	+ 6	126	106	— 16	88	102	+ 16
1924									
I	97	102	+ 5	126	111	— 12	90	103	+ 14
II	97	102	+ 5	123	110	— 11	91	103	+ 13
III	98	102	+ 4	125	116	— 7	92	103	+ 12
IV	99	102	+ 3	127	122	— 4	91	102	+ 12
V	101	101	—	128	124	— 3	92	102	+ 11
VI	101	101	—	123	121	— 2	94	102	+ 9
VII	98	101	+ 3	122	121	— 1	94	101	+ 7
VIII	99	101	+ 2	124	121	— 2	94	100	+ 6
IX	101	101	—	127	123	— 3	94	100	+ 6
X	104	101	— 3	130	128	— 2	93	100	+ 8
XI	103	100	— 3	131	129	— 2	93	100	+ 8
XII	101	99	— 2	127	130	+ 2	90	100	+ 11

1 Pour la Suède on a utilisé le nombre indice du *Svenska Dagblated*, qui est élaboré selon les principes employés par le *Federal Reserve Board*.
1 For Sweden the index number of the *Svenska Dagblated* has been utilised. This index is computed according to the methods employed by the *Federal Reserve Board*.

Tableau X

OPÉRATIONS DES CHAMBRES DE COMPENSATION

(En millions, sauf indication contraire.)

Table X

CLEARING STATISTICS

(000,000's omitted, unless otherwise stated).

Pays Country	ALLEMAGNE GERMANY	AUTRICHE — AUSTRIA				BELGIQUE BELGIUM	ESPAGNE SPAIN	ESTHONIE ESTHONIA
Specification	Reichsbank	Banque Nationale [1] National Bank [1]	Wiener Giro- und Cassen-Verein [1]	Wiener Saldierungs-Verein	Total	Banque Nationale National Bank	Cámara de Compensación Madrid [3]	Banque d'Esthonie [4] Bank of Esthonia [4]
Etalon monétaire Unit of Currency	Mark *	Milliards de Kronen (000,000,000's omitted)				Franc	Peseta	Eesti Mark
Moyennes mensuelles Monthly averages								
1913	6.1	—	—	0.7	—	729	—	—
1914	5.6	—	—	0.7	—	—	—	—
1915	4.8	—	—	0.9	—	—	—	—
1916	5.6	—	—	1.0	—	—	—	—
1917	7.8	—	—	1.3	—	—	—	—
1918	9.9	—	—	1.6	—	—	—	—
1919	15.2	13.1	9.3	1.2	23.6	—	—	—
1920	58.0	42.3	48.7	5.7	96.7	—	—	—
1921	89.4	171.9	298.7	21.8	492.4	8,763 [2]	—	—
1922	530.7	3,330.3	3,994.2	369.6	7,694.1	10,751	—	346
1923	197,637.8*	9,264.4	16,646.9	1,202.4	27,113.7	15,970	—	577
1924	2,600.0**	12,840.2	14,229.8	1,646.2	28,716.2	19,128	1,065	—
1922								
I	116.7	443.9	926.4	62.2	1,432.5	9,889	—	195
II	109.8	484.3	922.7	77.9	1,484.9	9,622	—	223
III	170.4	640.5	1,132.2	81.6	1,854.3	9,630	—	392
IV	176.0	749.0	1,105.0	89.7	1,943.7	7,922	—	267
V	179.4	1,127.8	1,887.4	141.4	3,156.6	11,290	—	359
VI	191.4	1,455.1	2,404.3	175.5	4,034.9	10,634	—	332
VII	243.5	2,345.6	3,349.6	255.6	5,950.8	10,055	—	399
VIII	374.9	5,033.2	5,947.7	481.8	11,462.7	9,623	—	371
IX	473.7	6,515.9	6,683.5	602.5	13,801.9	10,133	—	377
X	789.3	6,175.5	6,751.4	712.1	13,639.0	14,551	—	384
XI	1,463.8	7,367.9	7,737.1	920.6	16,025.6	13,401	—	427
XII	2,079.0	7,625.6	9,083.2	834.1	17,542.9	12,260	—	419
1923								
I	3,828.2	8,282.1	9,791.6	930.3	19,004.0	15,483	—	588
II	7,444.3	6,907.0	8,215.9	851.5	15,974.4	14,151	—	416
III	7,257.7	8,510.5	9,078.1	996.5	18,585.1	15,785	—	612
IV	8,177.4	8,134.8	10,809.5	1,058.9	20,003.2	13,518	229	659
V	13,345.0	8,010.9	13,230.7	937.3	22,178.9	13,578	326	619
VI	28,375.3	9,242.3	20,772.7	1,330.7	31,345.7	17,998	1,111	637
VII	76,624.5	10,763.8	24,392.7	1,352.8	36,509.3	17,343	747	720
VIII	817,133.6	10,096.2	21,517.7	1,290.0	32,903.9	17,281	—	573
IX	22,627.7*	9,527.2	20,250.6	1,147.3	30,925.1	15,775	—	539
X	3,150,065.0*	10,455.0	23,957.0	1,554.9	35,966.9	17,568	1,178	483
XI	764,080.0*	9,587.5	17,375.0	1,465.6	28,428.1	16,097	1,051	500
XII	1,604,400.0*	11,655.1	20,370.9	1,513.3	33,539.3	17,070	1,027	574
1924	**							
I	1,533	9,381.4	23,889.4	1,988.5	35,259.3	20,368	1,092	525
II	2,270	7,795.3	11,437.4	1,084.0	20,316.7	20,550	966	603
III	2,836	11,800.9	19,609.7	1,603.0	33,013.6	23,209	1,198	602
IV	2,965	12,996.0	18,830.8	1,620.0	33,446.8	19,474	1,054	687
V	2,948	14,525.3	18,696.6	1,770.6	34,992.5	19,802	1,057	739
VI	2,104	12,722.7	13,028.4	1,623.5	27,374.6	18,636	1,002	539
VII	2,156	12,609.3	12,416.6	1,509.2	26,535.1	18,568	985	952
VIII	2,292	12,794.2	9,379.6	1,619.6	23,793.4	16,735	945	791
IX	2,539	12,508.5	9,476.2	1,763.7	23,748.4	17,461	1,043	715
X	2,974	12,398.6	9,833.1	1,703.1	23,934.8	18,058	1,100	—
XI	2,994	16,035.3	10,852.8	1,672.1	28,560.2	16,620	1,081	—
XII	3,587	18,515.5	13,306.4	1,796.6	33,618.5	20,053	1,256	—

* 1913-août 1923 en milliards; septembre et octobre 1923, en mille milliards; novembre, décembre et moyenne de 1923, en millions de milliards. — ** En millions de marks-or. — [1] Montant des virements. — [2] Dans plusieurs villes, le service des chambres de compensation a recommencé en 1919. — [3] Début en avril 1923. — [4] Début en novembre 1921.

* 1913-August 1923: 000,000,000's omitted; September and October 1923: 000,000,000,000's; November, December and average of 1923: 000,000,000,000,000's omitted. — ** Gold marks, 000,000's omitted. — [1] Giro transfers. — [2] In several towns the Clearing Houses resumed their activity in 1919. — [3] Operations began in April 1923. [4] Operations began in November 1921.

Tableau X *(suite).*

OPÉRATIONS DES CHAMBRES DE COMPENSATION
(En millions.)

Table X *(continued).*

CLEARING STATISTICS.
(000,000's omitted.)

Pays Country	FINLANDE FINLAND	FRANCE [2]			ITALIE ITALY	NORVÈGE NORWAY	PAYS-BAS Netherlands	POLOGNE POLAND
Specification	Banque de Finlande [1] Bank of Finland [1]	Chambre de Compensation des Banquiers de Paris	Banque de France Bank of France	Total	9 villes [5] 9 towns [5]	Norges Bank	Amsterdam Rotterdam s'Gravenhage [6]	Warszawa Poznań Lwów
Etalon monétaire Unit of Currency	Markka	Franc			Lira	Krone	Guilder	Marka p.
Moyennes mensuelles Monthly averages								
1913	16	1,531	13,770	15,301	5,469	41	—	—
1914	17	3,382 [3]	14,708	—	4,410	44	—	—
1915	29	—	6,938	—	3,999	72	—	—
1916	85	729 [4]	11,954	—	5,156	215	—	—
1917	155	2,285	15,489	17,774	13,765	491	—	—
1918	340	6,424	20,837	27,261	16,713	705	—	—
1919	481	6,070	32,738	38,808	24,830	571	—	—
1920	597	13,927	61,284	75,211	48,381	652	—	—
1921	686	13,930	54,026	67,956	57,569	537	2,003	—
1922	860	13,137	52,108	65,245	50,154	506	1,687	74,246
1923	1,371	19,893	61,668	81,561	70,425	408	1,818	* 2,146
1924	1,296	30,672	77,927	108,599	78,247	438	2,327	** 31.8
1922								
I	638	12,229	—	—	56,347	524	1,966	26,713
II	687	11,746	—	—	46,973	494	1,801	34,357
III	729	12,286	—	—	46,020	628	2,169	48,721
IV	726	9,860	—	—	41,591	516	1,653	38,184
V	965 [1]	11,805	—	—	44,458	525	2,022	48,166
VI	994	11,856	—	—	46,192	532	1,488	54,295
VII	970	13,487	—	—	54,096	466	1,771	64,632
VIII	1,008	12,789	—	—	45,217	468	1,304	75,697
IX	1,077	12,586	—	—	40,820	447	1,350	90,764
X	1,663	14,451	—	—	58,341	581	1,560	103,714
XI	1,440	18,794	—	—	60,979	433	1,593	149,403
XII	1,288	15,756	—	—	60,816	454	1,567	156,296
1923								
I	1,318	18,864	—	—	66,326	451	1,959	* 226.1
II	1,255	18,997	—	—	56,160	400	1,773	* 273.9
III	1,621	20,376	—	—	59,805	457	1,665	* 319.0
IV	1,350	18,252	—	—	59,605	418	1,884	* 388.4
V	1,348	16,995	—	—	67,122	294	1,632	* 466.4
VI	1,368	19,063	—	—	72,685	389	1,713	* 522.6
VII	1,281	19,122	—	—	80,413	384	1,955	* 790.4
VIII	1,174	19,855	—	—	66,539	386	1,698	* 1,014.5
IX	1,275	19,020	—	—	76,319	377	1,531	* 1,037.9
X	1,652	23,674	—	—	89,465	477	1,814	* 1,520.4
XI	1,559	22,980	—	—	77,202	438	2,155	* 3,163.2
XII	1,245	21,515	—	—	73,456	420	2,031	* 6,819.2
1924								**
I	1,558	36,847	—	—	79,559	419	2,462	6.8
II	1,294	37,252	—	—	75,934	411	2,131	8.6
III	1,293	46,651	—	—	85,731	428	2,438	11.7
IV	1,327	34,643	—	—	86,999	398	2,642	13.9
V	1,387	33,705	—	—	77,225	495	2,302	19.0
VI	1,222	31,058	—	—	78,677	408	2,195	17.0
VII	1,183	25,229	—	—	80,158	453	2,137	36.2
VIII	1,018	25,017	—	—	69,710	405	2,082	32.6
IX	1,109	24,019	—	—	68,754	396	2,227	44.3
X	1,524	24,532	—	—	79,910	528	2,501	56.2
XI	1,290	21,979	—	—	72,839	456	2,281	48.8
XII	1,341	27,126	—	—	83,463	462	2,526	86.3

* En milliards. — ** En millions de zlotys. — [1] A partir de 1922, y compris les compensations de province qui ont commencé au mois de mai. — [2] Les chiffres de la première colonne se rapportent aux effets présentés, ceux de la seconde aux virements de la Banque et aux effets compensés en province. — [3] Janvier à juillet 1914. — [4] Juillet à décembre 1916. — [5] Rome, Milan, Naples, Turin, Gênes, Livourne, Florence, Trieste, Venise. — [6] Avant 1921, il n'y avait que la Chambre de compensation de Rotterdam. Son chiffre moyen des compensations par mois pour l'année 1921 a été de 264 millions.

* 000,000,000's omitted. — ** In zlotys, 000,000's omitted. — [1] Including provincial clearings which started in May 1922. — [2] The figures of the first column refer to bills presented, those of the second column to giro transfers of the Bank and to provincial clearings. — [3] January to July 1914. — [4] July to December 1916. — [5] Rome, Milan, Naples, Turin, Genoa, Leghorn, Florence, Trieste and Venice. — [6] Prior to 1921 the only clearing service was at Rotterdam, for which the monthly average figure in 1921 was 264 millions.

Tableau X *(suite).*

OPÉRATIONS DES CHAMBRES DE COMPENSATION.

(En millions.)

Table X *(continued).*

CLEARING STATISTICS

(000,000's omitted.)

Pays Country	PORTUGAL	ROUMANIE ROUMANIA	ROYAUME-UNI — UNITED KINGDOM					SUÈDE SWEDEN
			London Bankers' Clearing House				Provincial clearings 10 villes 10 towns	
Specification	Lisboa [1] Porto [2]	Banque Nationale [3] National Bank [3]	Town clearings	Metropolitan clearings	Country cheque clearings	Total [4]		Riksbank
Etalon monétaire Unit of Currency	Escudo	Leu	£					Krona
Moyennes mensuelles Monthly averages								
1913	—	—	1,183	71	116	1,370	72	491
1914	—	—	1,036	72	114	1,222	67	530
1915	—	—	909	77	131	1,117	79	837
1916	—	—	1,027	90	156	1,273	96	1,487
1917	—	—	1,308	98	187	1,593	116	2,087
1918	—	—	1,419	119	228	1,766	142	2,949
1919	—	—	1,935	151	282	2,368	182	3,213
1920	—	1,299	2,738	174	339	3,252	253	3,596
1921	—	4,187	2,522	138	250	2,911	144	2,715
1922	—	2,592	2,732	131	234	3,097	143	2,109
1923	311	3,037	2,689	129	234	3,052	143	1,816
1924	439	3,270	2,920	133	242	3,295	149	1,851
1922								
I	—	1,855	3,119*	148*	258*	3,399	130§	2,332
II	—	1,849	2,744§	125§	221§	3,088	134§	2,122
III	—	2,478	2,642§	123§	221§	3,452	176*	2,354
IV	130	2,227	3,613*	154*	270*	3,305	129§	1,936
V	201	2,490	2,569§	121§	223§	3,307	140§	2,162
VI	206	2,865	2,306§	118§	209§	2,917	156*	2,118
VII	180	2,969	3,342*	167*	283*	3,236	138§	2,015
VIII	204	2,958	2,149§	111§	202§	2,885	129§	1,803
IX	221	3,026	2,206§	105§	200§	2,690	153*	1,902
X	217	2,804	3,138*	152*	273*	3,124	136§	1,994
XI	265	2,990	2,400§	121§	215§	2,989	169*	1,979
XII	284	2,595	2,553§	128§	232§	2,769	125§	2,587
1923								
I	283	2,899	2,862§	145§	255§	3,262	175*	1,955
II	313	2,723	2,664§	122§	220§	3,007	144§	1,578
III	381	2,905	2,665§	98§	221§	3,316	140§	1,919
IV	392	2,296	3,471*	170*	273*	3,339	133§	1,776
V	396	2,686	2,286§	117§	219§	3,067	166*	1,772
VI	386	3,286	3,149*	154*	271*	2,960	127§	1,862
VII	460	3,149	2,364§	126§	220§	3,004	131§	1,663
VIII	293	3,102	2,021§	108§	201§	2,721	150*	1,645
IX	154	3,537	2,891*	133*	253*	2,603	119§	1,681
X	199	3,449	2,500§	120§	223§	3,243	169*	1,982
XI	234	3,338	2,525§	119§	216§	3,192	128§	1,839
XII	244	3,069	2,872*	135*	239*	2,914	132§	2,115
1924								
I	298	2,925	3,074	143	250	3,467	176*	1,917
II	310	3,101	2,849	125	230	3,205	141§	1,598
III	340	3,228	3,015	128	236	3,379	144§	1,812
IV	365	3,018	3,086	130	238	3,454	132§	1,822
V	410	4,355	3,016	140	254	3,410	170*	1,908
VI	434	3,502	2,773	126	226	3,125	125§	1,733
VII	501	4,254	2,986	151	261	3,398	178*	1,885
VIII	436	2,842	2,594	122	224	2,940	123§	1,713
IX	494	2,267	2,627	119	230	2,976	127§	1,838
X	543	3,402	3,008	143	263	3,414	180*	1,909
XI	573	2,987	2,944	132	241	3,317	144§	1,792
XII	569	3,363	3,065	137	246	3,448	139§	2,287

§ 4 semaines. — * 5 semaines. — [1] Début en avril 1922. — [2] Début en mai 1922. — [3] Service de compensation de Bucarest. — [4] Total se référant aux mois du calendrier.

§ 4 weeks. — * weeks. — [1] Operations began in April 1922. — [2] Operations began in May 1922. — [3] Clearing service in Bucharest. — [4] Total referring to calendar months.

Tableau X *(suite).*

OPÉRATIONS DES CHAMBRES DE COMPENSATION

(En millions.)

Table X *(continued).*

CLEARING STATISTICS.

(000,000's omitted.)

Pays Country	SUISSE Switzerland	Tchécoslovaquie Czechoslovakia	Indes angl. Brit. India	Indes Néerland. [2] Dutch East-Indies [2]	JAPON — JAPAN				Afrique du Sud Union of S. Africa
Specification	Banque Nationale National Bank	Prague	7 villes [1] 7 towns [1]	6 villes [3] 6 towns [3]	Tokio	Osaka	Autres Other [5]	Total	7 villes [6] 7 towns [6]
Etalon monétaire Unit of Currency	Franc	Kc.	Rupee	Gulden	Yen				£
Moyennes mensuelles Monthy averages				[2]					
1913	456	—	542	72	364	243	260	867	14.7
1914	346	104	448	88	374	250	232	856	13.4
1915	327	—	469	103	432	283	253	968	13.5
1916	410	—	674	169	757	503	426	1,686	17.0
1917	483	—	751	174	1,071	904	674	2,649	20.2
1918	632	—	1,163	245	1,865	1,483	1,091	4,439	23.6
1919	805	—	1,501	504	2,925	1,960	1,514	6,399	29.6
1920	1,236	3,461	2,624	751	2,724	2,036	1,385	6,145	37.5
1921	1,058	6,860	1,685	543	2,572	1,996	1,091	5,659	28.6
1922	857	7,528	1,686	438	2,834	1,985	1,140	5,959	25.6
1923	948	5,943	1,563	449	2,792	1,999	1,105	5,664	26.9
1924	1,094	7,139	—	—	2,561	2,240	1,349	6,150	39.1
1922									
I	825	10,410	—	—	2,242	1,739	1,052	5,033	24.9 [7]
II	869	8,435	—	—	2,439	1,891	1,033	5,363	24.9 [7]
III	822	8,647	—	—	3,100	2,179	1,276	6,555	24.9 [7]
IV	690	7,468	—	—	2,809	1,873	1,154	5,836	24.9 [7]
V	893	7,806	—	—	3,143	1,816	1,223	6,182	24.9 [7]
VI	857	6,495	—	—	3,179	2,030	1,209	6,418	29.1
VII	821	7,356	—	—	2,772	2,098	1,119	5,989	24.2
VIII	702	6,684	—	—	2,582	1,978	1,078	5,638	25.7
IX	736	6,663	—	—	2,750	2,145	1,092	5,987	26.0
X	1,097	6,652	—	—	2,697	2,045	1,023	5,765	25.9
XI	1,068	6,691	—	—	2,972	1,985	1,138	6,095	25.6
XII	901	7,024	—	—	3,330	2,036	1,278	6,644	26.3
1923									
I	822	7,249	—	—	2,246	1,703	976	4,925	25.9
II	823	5,554	—	—	2,590	1,844	1,078	5,512	26.3
III	871	5,456	—	—	3,217	2,067	1,244	6,528	28.8
IV	958	5,670	—	—	3,077	1,895	1,176	6,148	24.3
V	974	4,750	—	—	3,518	1,946	1,261	6,725	23.1
VI	903	5,454	—	—	3,486	2,112	1,246	6,844	26.1
VII	1,046	6,230	—	—	3,220	1,841	1,068	6,129	25.9
VIII	937	5,293	—	—	3,317	2,024	1,100	6,441	26.7
IX	884	4,899	—	—	[4]	1,543	[4]	[4]	27.2
X	1,115	6,537	—	—	1,460	2,088	953	4,501	27.6
XI	1,033	7,606	—	—	2,003	2,218	1,110	5,331	29.6
XII	1,006	6,621	—	—	2,418	2,709	1,353	6,480	30.7
1924									
I	1,098	7,939	—	—	1,975	2,030	1,120	5,125	31.4
II	1,149	6,930	—	—	2,300	2,072	1,153	5,525	31.3
III	1,166	6,951	—	—	2,228	2,141	1,332	5,701	31.0
IV	1,156	6,678	—	—	2,318	2,245	1,390	5,953	27.4
V	1,138	7,352	—	—	2,636	2,383	1,370	6,389	25.9
VI	993	6,219	—	—	2,610	2,330	1,289	6,229	27.0
VII	1,097	6,859	—	—	2,547	2,037	1,214	5,798	27.9
VIII	1,021	6,503	—	—	2,443	2,222	1,308	5,973	28.9
IX	991	7,431	—	—	2,722	2,250	1,262	6,234	27.8
X	1,082	7,582	—	—	2,587	2,259	1,370	6,216	28.3
XI	1,122	7,566	—	—	2,809	2,139	1,548	6,496	31.4
XII	1,115	7,654	—	—	3,561	2,772	1,827	8,160	37.0

[1] Calcutta, Bombay, Madras, Karachi, Rangoon, Cawnpore (depuis juillet 1920) et Lahore (depuis avril 1921). — [2] Année financière finissant au mois de mars de l'année suivante. — [3] Batavia, Semarang, Sœrabaia, Medan (depuis juillet 1915), Bandœng (depuis juillet 1921) et Makassar (depuis juin 1922). — [4] Pas de données complètes à cause du tremblement de terre. — [5] Nombre en augmentation graduelle; en 1913: 11, et en 1924: 16. — [6] Cape Town, Port Elisabeth, Durban, Johannesburg, Pretoria, Blœmfontein et East London (depuis juillet 1923). — [7] Moyenne mensuelle d'après un chiffre global pour les cinq premiers mois.

[1] Calcutta, Bombay, Madras, Karachi, Rangoon, Cawnpore (since July 1920) and Lahore (since April 1921). — [2] Financial year ending in March of the following year. — [3] Batavia, Semarang, Sœrabaia, Medan (since July 1915), Bandœng (since July 1921), and Makassar (since June 1922). — [4] No complete data available owing to earthquake. — [5] Number increasing gradually; in 1913: 11 and in 1924: 16. — [6] Cape Town, Port Elisabeth, Durban, Johannesburg, Pretoria Blœmfontein and East London (since July 1923). — [7] Monthly average from a total sum for the first five months.

Tableau X (*fin*)
OPÉRATIONS DES CHAMBRES DE COMPENSATION.
(En millions.)

Table X (*concluded*).
CLEARING STATISTICS
(000,000's omitted.)

Pays Country	AUSTRALIE — AUSTRALIA			CANADA	ETATS-UNIS UNITED STATES			ARGENTINE	PÉROU PERU	URUGUAY
Specification	Sydney	Melbourne	Total [1]	Chartered Banks [2]	New-York	117 villes [3] 117 cities [3]	Total	Buenos-Aires [4]	Departamento de compensacion	Banco de la Republica [5]
Etalon monétaire Unit of Currency	£			$	$			$ m/n	Libra	Peso
Moyennes mensuelles Monthly averages										
1913	29.0	24.8	66.8	755	7,886	5,749	13,635	1,471	4.9	—
1914	29.4	25.0	67.3	659	6,918	5,508	12,426	1,023	2.5	—
1915	29.8	24.9	67.8	638	9,214	5,879	15,093	1,125	1.9	—
1916	35.2	29.8	82.7	860	13,298	7,713	21,011	1,315	2.8	—
1917	37.0	31.5	88.9	1,022	14,784	9,734	24,518	1,587	4.0	—
1918	46.0	41.1	111.3	1,121	14,878	11,801	26,679	2,245	4.5	—
1919	49.2	45.4	120.3	1,351	19,650	13,944	33,594	2,805	10.4	59 [5]
1920	63.7	60.4	158.0	1,627	20,261	15,801	36,062	3,612	13.3	69
1921	59.1	50.8	141.8	1,400	16,194	12,212	28,406	3,045	8.5	46
1922	60.5	52.0	145.5	1,304	18,158	13,204	31,362	2,847	7.2	47
1923	67.1	58.1	161.8	1,395	17,833	15,847	33,680	3,068	4.1	57
1924	70.5	61.2	172.5	1,367	20,822	16,247	37,069	3,348	5.2	62
1922										
I	52.5§	50.2§	102.7§	1,304	17,296	12,153	29,449	3,014		52
II	55.5§	51.1§	106.6§	1,110	15,341	10,682	26,023	2,593		46
III	55.3§	49.4§	104.7§	1,298	18,720	12,810	31,530	3,298		51
IV	64.7*	62.7*	127.4*	1,165	18,759	12,237	30,996	2,771		43
V	56.6§	51.5§	108.1§	1,442	19,215	13,080	32,295	3,016		47
VI	60.6§	50.5§	111.1§	1,267	20,111	13,464	33,575	2,716		47
VII	73.9*	60.9*	134.8*	1,223	18,337	12,866	31,203	2,814	3.7	41
VIII	49.9§	41.9§	91.8§	1,127	16,938	12,907	29,845	2,570	4.0	42
IX	53.2§	42.8§	96.0§	1,206	17,285	13,706	30,991	2,725	3.7	38
X	69.5*	59.8*	129.3*	1,440	19,668	15,356	35,024	2,827	4.3	46
XI	79.1*	61.8*	140.9*	1,563	17,332	14,098	31,430	2,863	4.1	56
XII	55.8§	47.4§	103.2§	1,500	18,899	15,091	33,990	2,954	4.9	58
1923										
I	56.6§	47.1§	103.7§	1,295	19,778	16,696	36,474	3,415	4.2	73
II	63.3§	58.4§	121.7§	1,028	16,784	13,707	30,491	2,897	3.4	60
III	58.8§	56.2§	115.0§	1,152	19,768	16,361	36,129	3,017	3.4	50
IV	73.4*	71.1*	144.5*	1,218	18,010	15,736	33,746	3,332	3.7	58
V	61.9§	53.3§	115.2§	1,470	19,212	16,862	36,074	2,991	3.8	62
VI	84.4*	68.7*	153.1*	1,309	18,675	16,116	34,791	3,123	3.8	53
VII	56.2§	47.4§	103.6§	1,281	16,646	15,395	32,041	2,986	4.6	40
VIII	57.1§	47.9§	105.0§	1,258	14,778	14,596	29,374	2,852	4.4	46
IX	80.4*	68.7*	149.1*	1,170	15,071	14,593	29,664	2,783	4.1	37
X	66.3§	53.3§	119.6§	2,185	17,731	17,036	34,767	3,232	5.0	49
XI	63.8§	50.7§	114.5§	1,851	18,048	15,915	33,963	2,935	4.5	73
XII	82.8*	74.1*	156.9*	1,518	19,495	17,302	36,797	3,257	4.5	82
1924										
I	61.0§	51.4§	112.4§	1,339	20,689	16,862	37,551	3,654	5.1	86
II	70.7§	66.8§	137.5§	1,236	18,120	14,713	32,833	3,634	4.2	
III	86.8*	82.9*	169.7*	1,142	19,650	16,118	35,768	3,256	4.2	67
IV	55.3§	53.5§	108.8§	1,215	20,326	15,962	36,288	3,308	4.8	
V	77.8*	68.9*	146.7*	1,380	20,722	15,833	36,555	3,391	4.9	54
VI	63.1§	56.8§	119.9§	1,210	19,958	15,264	35,222	3,190	4.6	
VII	59.2§	51.9§	111.1§	1,404	21,127	16,240	37,367	3,445	5.3	
VIII	72.8*	57.5*	130.3*	1,202	20,342	15,247	35,589	3,084	5.2	
IX	58.7§	50.5§	109.2§	1,314	19,291	15,904	35,195	3,316	5.4	
X	88.1*	70.2*	158.3*	1,715	21,585	18,024	39,609	3,380	6.2	
XI	71.9§	55.9§	127.8§	1,593	22,433	16,657	39,090	3,016	6.1	
XII	80.6§	67.8§	148.4§	1,652	25,626	18,234	43,860	3,499	5.8	

§ 4 semaines. — * 5 semaines. — [1] Le total se réfère à Sydney, Melbourne Brisbane, Adelaïde et Perth; les chiffres mensuels ne comprennent que Sydney et Melbourne. — [2] Le nombre des Chartered Banks en 1924 n'a été que de 14 contre 17 fonctionnant auparavant — [3] La moyenne mensuelle pour 188 villes a été de 16,621 en 1923 et de 17,097 en 1924. — [4] Les compensations en province s'élevaient en 1924 à environ 14 % du montant compensé à Buenos-Aires. — [5] Début en juin 1919. Le chiffre pour 1919 est une moyenne de juin à décembre.

§ 4 weeks. — * 5 weeks. — [1] The yearly totals refer to Sydney, Melbourne, Brisbane, Adelaide and Perth; the monthly figures to Sydney and Melbourne only. — [2] The number of Chartered Banks in 1924 was 14, against 17 operating previously. — [3] The monthly average for 188 cities was 16,621 in 1923 and 17,097 in 1924. — [4] The provincial clearings amounted in 1924 to about 14 % of the Buenos Aires clearings. — [5] Operations began in June 1919. The 1919 figure is an average for June to December.

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Page	9	Sept 1924, group IV (*a*)		*for:*	7,851,001.7	*read*	2,851,001.7
»	16	3rd paragraph,	2nd line	»	in Table 2 and in Table V (Vol. I) are included	»	in Table 2 are included
»	22	10th line from bottom		»	Table 6	»	Table 3
»	23	Table, 5th item, 1921		»	40.8	»	401.8
»	24	4th paragraph,	1st line	»	Table 6	»	Table 3
»	54	1st »	10th »	»	reserve	»	reverse
»	61	3rd »	6th »	»	flatation	»	flotation
»	71	1st »	6th »	»	May	»	August
»	71	3rd »	5th »	»	Table 17	»	Table 10
»	72	2nd »	4th »	»	Table VI	»	Table V
»	85	1st »	10th »	»	State	»	State's
»	101	Table June 1924, Total other advances		»	190.5	»	190.0
»	103	» 1916, first column		»	2,557	»	2,554
»	103	» » third »		»	2,592	»	2,458
»	103	» 1923 » »		»	6,330	»	6,331
»	106	3rd paragraph,	2nd »	»	group IV(*b*) II of Table 14	»	group IV(*b*) of Table 14
»	108	last »	1st »	»	flat silver pieces	»	flat silver pieces
»	136	2nd »	5th »	»	on behalf on	»	on behalf of
»	137	2nd »	2nd »	»	Governments	»	Government
»	141	1st »	1st »	»	Kerenkos	»	Kerenky
»	152	Table, Total 1920		»	370	»	379
»	166	4th paragraph	17th »	»	Table 34	»	Table 25
»	173	2nd »	2nd »	»	group VII(*c*)	»	group VI(*c*)
»	181	4th »	5th » (note reference)	»	1	»	2
»	186	1st »	1st line	»	Tables III and V	»	Tables III and IV
»	186	3rd »	2nd »	»	resreves	»	reserves
»	191	Note circulation	3rd »	»	security	»	securities
»	196	Dec. 1920. group XV (b)		»	4,164	»	35,307
»	196	» » » XVI		»	35,307	»	4,164
»	212	Table		»	Governments	»	Government
»	216	Table, Dec. 1924, Total		»	392	»	392,2
»	217	2nd paragraph	8th »	»	Bank Circulation Fund	»	Bank Circulation Redemption Fund
»	224	last »	1st »	»	Table F	»	Table G
»	238	Dec. 1923, group VI		»	2,450	»	2,457
»	241	last paragraph,	2nd »	»	VI(*e*)	»	VI(*c*)
»	260	1st »	last sentence: The balance sheet for the end of September 1924 is not available				
»	272	5th »	1st line	*for*	is explained	read	are explained
»	281	3rd »	1st »	»	Sttatis	»	Statist
»	304	right column	12th »	»	indexes	»	indices

LEAGUE OF NATIONS

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CENTRAL BANKS

Summaries of Balance-Sheets :

Notes thereto and to Tables III, IV and V, Vol. I.

EUROPE

ALBANIA.

There is no Albanian mint or printing press. The following note, taken from the report prepared by Professor Albert Calmès on the economic and financial situation of Albania, submitted to the Council of the League of Nations, explains the currency situation:

"Albania possesses no national system of metal coinage or paper money. The unit adopted for public accounts is the gold franc. In practice, accounts are drawn up and payments are made in napoleons and crowns. Napoleons are all 20-franc gold pieces, 10-franc gold pieces being reckoned as half-napoleons. The coinage in most common use is that of the Latin Union and Austrian gold pieces of 8 florins. Crowns are Austrian silver 2- and 1-crown pieces and 2- and 1-franc pieces of States belonging to the Latin Union and of the Serb-Croat-Slovene State, which are considered as being equivalent to crowns. Silver coins are accepted for payments up to any amount, but only at their intrinsic value as bullion. Their value, therefore, varies in accordance with the number of crowns required to make up a napoleon. This value has varied between 44 and 58 crowns; at the present moment [1] it stands at 52 to 54. Copper coins are mostly Italian. As regards paper money, paper lire are found on the coast. The paper drachmai, which used to circulate in the south, have disappeared, the Albanians having got rid of them in time. In the Public Treasury, gold, silver, and paper are accepted without distinction. As regards silver and paper, an official rate of exchange is fixed by a committee of merchants every week, the day after the market, in each prefecture or sub-prefecture. The Public Treasury, however, only accepts silver coinage at this official rate of exchange, plus 5 % to cover risk of loss on exchange, and in the case of paper money, plus 10 %. Consequently, payments into the Public Treasury are nearly always made in gold."

[1] *i.e.*, July 1922.

Table 1.

AUSTRIA

ACCOUNTS	AUSTRIAN Position in Kronen		
	1920	1921	1922
ASSETS.			
I. Metallic Reserve at home	0.05	0.08	0.05
(*a*) Gold	0.05	0.08	0.05
(*b*) Silver and Token coins	—	—	—
II. Other items of a Reserve or Cash nature.	113.8	241.8	106.6
III. Assets in and Claims on Foreign Countries	8.8	10.0	152,345.1
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	8.8	10.0	152,345.1
IV. Commercial Bills	426.0	29,373.6	781,767.4
(*a*) Inland	426.0	29,373.6	781,767.4
(*b*) Foreign	—	—	—
V. Securities and Investments	0.1	0.2	1.8
(*a*) Government	—	—	—
(*b*) Other	—	—	—
VI. Loans and Advances	23,364.6	152,439.7	2,558,874.6
(*a*) to the Government	22,595.6	151,773.1	2,558,379.8
(*b*) on Government securities	769.0	666.6	494.8
(*c*) Other			
VII. Sundries (including Premises, etc.)	11,694.5	25,533.8	1,143,421.7
VIII. Total Assets	**35,607.8**	**207,599.2**	**4,636,517.3**
LIABILITIES.			
IX. Capital	—	—	—
X. Reserve Funds	—	—	—
XI. Profit and Loss and Divid. Accounts, etc.	37.3	400.0	4,501.6
XII. Notes in circulation	30,645.7	174,114.7	4,080,177.2
XIII. Post Bills, Cheques, etc., in circulation	—	6,951.3	369.5
XIV. Current Accounts	3,778.4	19,503.2	369,465.6
(*a*) Government	—	—	41,473.6
(*b*) Other	—	—	327,992.0
XV. Other Deposits	682.2	4,185.6	66,318.7
(*a*) Government	540.4	2,591.5	57,208.2
(*b*) Other	141.8	1,594.1	9,110.5
XVI. Sundries	464.2	2,444.4	115,684.7
XVII. Total Liabilities	**35,607.8**	**207,599.2**	**4,636,517.3**

Table 1.

AUSTRIA

NATIONAL BANK (000,000's omitted) at the end of					Gold Kronen (000,000's omitted) at the end of	
Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924	1923	1924
93,326.1	106,662.8	107,761.9	108,950.1	110,890.3	6.5	7.7
93,326.1	106,662.8	107,761.9	108,950.1	110,890.3	6.5	7.7
—	—	—	—	—	—	—
—	—	—	—	—	—	—
4,345,429.6	3,953,871.5	3,178,339.3	3,724,915.9	3,663,185.3	301.6	254.4
—	—	—	—	—	—	—
4,345,429.6	3,953,871.5	3,178,339.3	3,724,915.9	3,663,185.3	301.6	254.4
1,323,369.7	1,731,509.9	3,080,901.3	2,851,001.7	1,880,213.8	91.9	130.6
1,323,369.7	1,731,509,9	3,080,901.3	7,851,001.7	1,880,213.8	91.9	130.6
—	—	—	—	—	—	—
2,534,490.4	2,295,427.8	2,237,794.4	2,210,527.4	2,178,185.0	176.0	151.2
2,534,490.4	2,295,427.8	2,237,794 4	2,210,527.4	2,178,185.0	176.0	151.2
—	—	—	—	—	—	—
2,010.3	1,889.9	1,568.4	1,686.8	1,784,442.8	0.1	123.9
—	—	—	—	—	—	—
2,010.3	1,889.9	1,568.4	1,686.8	1,784,442.8	0.1	123.9
1,924,356.1	4,058,462.8	3,663,977.8	4,175,677.4	4,588,928.3	133.8	318.7
0,222,982.2	**12,147,824.7**	**12,270,343.1**	**13,072,759.3**	**14,205,845.5**	**709.9**	**986.5**
432,000.0	432,000.0	432,000.0	432,000.0	432,000.0	30.0	30.0
97,313.0	102,185.0	102,185.0	102,185.0	102,185.0	6.8	7.1
64,191.5	—	—	—	252,139.7	4.4	17.5
7,125,755.2	7,144,900.8	7,774,957.9	7,998,509.3	8,387,767.1	494.8	582.5
—	—	—	—	—	—	—
649,424.4	752,813.8	741,399.5	890,536.9	553,449.9	45.1	38.4
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	
—	—	—	—	—	—	—
1,854,298.1	3,715,925.1	3,219,800.7	3,649,528.1	4,478,303.8	128.8	311.0
0,222,982.2	**12,147,824.7**	**12,270,343.1**	**13,072,759.3**	**14,205,845,5**	**709.9**	**986.5**

AUSTRIA

Notes.

Austrian National Bank:

The figures for Austria given in Tables III, IV and V (Vol. I) and in Table 1 above refer up to the end of 1922 to the Austrian Section (*Geschäftsführung*) of the Austro-Hungarian Bank, which institution, established on January 1st, 1920, acted mainly as an instrument for note issue on behalf of the Government. The cessation of the Government issues was a fundamental condition of the economic reconstruction of Austria rendered possible by the Geneva Agreement of October 1922.

According to the third Protocol of that Agreement, a new bank of issue, independent of the Government, had to be created. In June 1922 the creation of such a bank had already been planned and proposals put forward by the Government resulting in the Banking Law of July 24th of that year. On November 14th, certain necessary amendments to that law as well as the Statutes of the Austrian National Bank were passed by Parliament. The share capital required was duly subscribed, the major part of the shares being paid for in American, English, Swiss, Dutch or Scandinavian currencies — calculated at the current dollar rate — and the rest in Austrian gold currency and gold Treasury bonds (of the Austrian 8 per cent Gold Loan of 1922). By a Federal Decree of December 29th, 1922, the assets and liabilities of the Austrian Section of the Austro-Hungarian Bank were transferred to the Austrian National Bank, which also absorbed the Central Exchange Committee (*Devisenzentrale*). By the latter transaction the new Bank came into the possession of that institution's foreign balances and other foreign assets, in respect of which, formerly the Austro-Hungarian Bank and later the Austrian Section had acted as Trustees, although they never appeared in their balance sheets. The new Bank opened its doors on January 2nd, 1923. The inflationary issue of notes by the Austrian Section of the Austro-Hungarian Bank on behalf of the Austrian Government ceased on November 18th.

The Austrian National Bank is an independent joint-stock company with a share capital of 30 million gold kronen. It is under the direction of a General Board, all the members of which are elected by the shareholders, with the exception of the Governor of the Bank, who is appointed by the President of the Austrian Confederation. According to a provisional amendment to the Banking Law and the Bank's Statutes adopted in April 1923, the President of the Confederation has appointed a foreign Adviser to the Governor and the General Board, whose office shall terminate coincidentally with that of the Commissioner-General of the League of Nations. All important decisions of the Managers, the General Board or the Governor must be submitted to the Adviser for approval. By a further amendment of November 6th, 1924, an Executive Committee was established to be composed of the Governor, the two Vice-Governors, the Head Manager and the Senior Director. The Executive Committee replaces the General Board when emergency decisions have to be taken, especially in regard to the discount policy. These decisions, however, must be submitted to the General Board at its next meeting and can be modified by it.

The annual balance sheets of the Bank have to be expressed in gold kronen. For the end of 1923 and 1924 statements both in paper and gold kronen are given in Table 1. The dividends are likewise to be paid in gold kronen. Of the net profits, less the statutory deductions to be made for a Reserve Fund and a Pension Fund, two-thirds to three-quarters, depending upon the amount of these profits, are allocated to the State, the rest being used for dividends. According to an agreement between the Government and the Bank, the profits allocated to the State are used for paying off the State debt to the Bank.

Metallic and foreign exchange reserves — Exchange policy:

The gold reserve as shown in Table IV (Vol. I) and in the statements for 1920-1922 in Table 1 above, as well as in the special gold kronen statements for 1923 and 1924 of that table, is counted at the pre-war parity: 1 kg. gold = 3,278 kronen. The paper value of the reserve as shown in the quarterly statements for 1924 in the latter table is calculated in conformity with the statutes of the Bank, on the basis of half-yearly averages of the gold-kronen rate as fixed every week for the payment of customs duties.

Most of the gold of the National Bank was received in payment for the share capital. Under the Bank Law and the Statutes no distinction is made between gold and foreign assets in stable currencies, both serving as metallic cover for note circulation and sight obligations. The gold received by the Government from the liquidation of the Austro-Hungarian Bank has not been ceded to the National Bank but sold abroad through the intermediary of the Bank. Against 15.4 million kronen of this gold received in 1921 and 1922, the Austrian Section of the Austro-Hungarian Bank, however, had made an advance to the Government in anticipation of the League of Nations Reconstruction Loan. The National Bank took over the claim for this advance, the gold security for which was sold for the account of the Government

when the reconstruction loan had been floated. A portion of the reconstruction loan was released by the end of March 1924 and used for paying off this 15.4 million kronen advance, which had been incorporated in the State loan debt to the Bank (*cf.* below: "Indebtedness of the State to the National Bank").

The initial amount of the Bank's foreign exchange reserve consisting of credit balances abroad, and, to a lesser extent, of foreign bills, was taken over from the Central Exchange Committee. The increase in 1923 was derived in part from the subscriptions to the share capital paid in foreign currency but mainly from those portions of the proceeds of the reconstruction loan which the Government sold to the Bank in exchange for bank notes.

The financial crisis in the spring and summer of 1924, resulting from the Stock Exchange and French franc speculation, put a strain on the National Bank's foreign exchange reserve which fell from 307 million gold kronen on March 7th to 214 millions on June 15th. On the 5th of that month the rate of discount had been increased from 9 to 12 per cent, and at the turn of the month there was a slight recovery of the reserve to about 220 millions, at which level it remained until August 23rd. A further increase of the discount rate to 15 per cent[1] had been made on August 12th, and by the end of that month the exchange reserve rose to about 240 million gold kronen. Those who possessed assets in foreign currencies did not seem disposed, however, to place any further funds at the disposal of the National Bank, mainly on account of the obstructions which actually were, or were felt might be, imposed on the free traffic in foreign exchange. In order to provide a guarantee against this risk as well as that of an exchange depreciation, the National Bank introduced in September a system of combined spot and forward transactions in foreign exchange — the so-called *Kostgeschäft*. These transactions are carried on so that the Bank buys foreign exchange for kronen but at the same time undertakes an obligation to re-sell to the customer in one, two or three months, the same exchange at the same rates, against payment of a certain commission (*Kostgeld*). These operations, representing in point of fact a special form of advance by the Bank, developed rapidly. The greater part of the exchange thus temporarily acquired was included in the gold-exchange reserve for the notes as shown in the balance sheets, which reserve increased simultaneously. On December 31st, 1924, the Bank held *Kostdevisen* to an amount of 124.9 million gold-kronen, whereof 90.6 million were included in the metallic reserve, the remainder being included in the sundry assets together with certain other exchange holdings not eligible for the reserve. When calculating the foreign exchange net reserve, however, the *Kostdevisen* have to be excluded, as the Bank, in buying them, has incurred an equal contractual liability in foreign exchange. In Table I, therefore, they have not been included in the exchange reserve under III (*b*) but are entered in group VII, whereas the credits which they represent and which are shown as *Evidenzposten* under sundry assets in the balance sheets have been added to the advances in group VI (*b*) of the table

The position of the total exchange holdings of the Bank at the end of December 1923 and 1924 is shown below (000,000's omitted).

End of	December 1923		December 1924	
	Gold kronen	Paper kronen	*Gold kronen*	Paper kronen
A. *Gross holdings:*				
Exchange eligible for the metallic reserve under Art. 85 of the Statutes	*298.6*	4,299,727.7	*240.7*	3,465,596.5
Kostdevisen	—	—	*124.9*	1,798,661.5
Other assets in foreign currency not eligible for the metallic reserve	*125.4*	1,807,811.7	*175.4*	2,526,590 6
Total	*424.–*	6,107,539.4	*541.–*	7,790,848.6
B. *Liabilities in foreign currency:*				
Liability for the *Kostdevisen*	—	—	*123.8*	1,783,063.1
Other liabilities	*122.4*	1,762,109.8	*162.8*	2,344 600.2
Total	*122.4*	1,762,109.8	*286.6*	4,127,663.3
C. *Foreign assets net reserve* (A minus B)	*301.6*	4,345,429.6	*254.4*	3,663,185.3

The above net reserves are those shown in Table V (Vol. I) and under III (*b*) in Table I. The difference between the liability of the Bank on account of the *Kostgeschäft* and the value of the *Kostdevisen* as shown above is due to the difference between the *Kost* rates and the balance-sheet rate arising from the improvement in the sterling exchange.

The reserve at the end of September 1924 as given in these tables may include a minor portion of *Kostdevisen* not shown separately by that time. The "other" assets in foreign currency consist mainly of such proceeds of the reconstruction loan as are deposited with but not sold to the Bank by the Government. These deposits form almost the whole of the "other" liabilities in foreign currency shown under B

[1] On November 6th, 1924, the rate of discount was lowered to 13 per cent.

in the above statement and have been utilised in part by the Bank for the purpose of making advances in foreign currency to private customers in Austria on the condition of repayment in the same currency. These advances are not shown separately in the returns of the Bank. The "other" foreign assets include certain bills and credit balances payable in such currencies as are not admitted as note cover under Article 85 of the Statutes, which represented, at the end of 1923, 6.3 per cent and, at the end of 1924, 3.6 per cent of the total gross holdings of foreign exchange.

The severe exchange regulations introduced at the time of the exchange depreciation were gradually loosened by decrees of July 14th and December 27th, 1923, and October 29th, 1924. In conformity with the Geneva Agreement of September 16th, 1924, whereby the Government engaged itself "to take measures to permit free dealing in foreign exchanges", a decree was issued on March 23rd, 1925, by which practically all remaining exchange restrictions were removed. As a result the *Kostgeschäft* has diminished since the end of March 1925. A provision still maintained, under which exchange brokers are made subject to special authorisation and control, is mainly of an administrative character.

Indebtedness of the State to the National Bank:

The Government debt to the Austrian Section of the Austro-Hungarian Bank is shown under VI(*a*) in Table 1 and represents Treasury bills discounted. In connection with the establishment of the National Bank, the discounted Treasury bills were converted into special Federal loan debt bonds which were taken over by the Bank and are shown under V(*a*) in Table 1. According to an agreement between the Government and the Bank, concluded in July 1923, the Federal Loan debt is subject to an interest of 3 per cent per annum, one-sixth of which is to be effected in the form of automatic repayments of 1/24 per cent of the debt each month. Further, the Government's share in the net profit of the Bank and its profits from the issue of divisionary coins have to be used for the same purpose. Certain additional repayments were made in 1924 by: (*a*) 15.4 million gold kronen released on the reconstruction loan whereby the advance granted in 1922 by the Austrian section of the Austro-Hungarian Bank was liquidated (for details see page 11 above); (*b*) part of the yield of the *Vermögensabgabe;* (*c*) one-fifth of the interest actually paid by the Government in 1924. Under a special agreement concluded at the end of that year, the Government part of the "Currency Reserve" (*Währungsreserve*) (the whole of the amount shown for the end of 1923 under group X in Table 1), which reserve represents the value of certain foreign exchange balances taken over from the Central Exchange Bureau and the Austrian Section of the Austro-Hungarian Bank, will be bought by the National Bank for 50 milliard kronen (5 million schilling) by writing off this sum from the State loan debt in six instalments during 1925.

According to the new Bank law, the National Bank must not grant any advances, directly or indirectly, to the Government, the Provinces or the communes, except against full cover in gold or foreign currency.

Note circulation:

The National Bank has the exclusive privilege of note issue. If the Federation issues specie the Bank is bound to withdraw from circulation bank notes of a corresponding value. The practical limitations to the note circulation are, however, as follows. Under Article 85 of the Bank Law, the total of the note circulation and the Bank's liabilities payable on demand, *less* the fiduciary issue against the Federal Loan debt, shall be covered by the cash reserve to the extent of 20 per cent for the first five years, 24 per cent for the following five years, 28 per cent for a further five years, and 33 1/3 per cent for the rest of the time which will elapse until cash payments are resumed. As cash reserve may be reckoned: (*a*) gold; (*b*) foreign notes "which have not undergone any violent fluctuations of exchange"; (*c*) bills of exchange "which are made out in currencies not having undergone any violent fluctuations of exchange, are payable at leading banking centres in Europe or America and drawn upon banking institutions of unquestioned solvency"; and (*d*) credits and deposits "which are available at any time and are held at leading banking centres in Europe or America in institutions of unquestioned solvency", at least 25 million gold kronen in such credits and deposits to be held by the Bank until cash payments are resumed. (The cover here defined corresponds to items I(*a*) and III(*b*) of Table 1.)

In so far as the liabilities to be covered in conformity with the above regulations exceed the cash reserve, they were to be covered — according to the original wording of Article 86 — by bills discounted and, though for a period of five years only, by advances on securities pledged with the Bank. By an amendment to Article 86 which came into effect on January 1st, 1925, this supplementary or so-called banking cover may include in addition (*a*) foreign exchange not eligible for the cash reserve and (*b*) token coins. Since that date the National Bank has introduced corresponding headings in its weekly return and shows, under (*a*) *Kostdevisen* in dollar and sterling currency. As already mentioned, these *Kostdevisen* were included in the cash reserve from September and up to the end of December 1924.

The *Sichtkassenscheine* shown in Table III (Vol. I) correspond to those given at the end of 1921 and 1922 under XIII in Table I above. These *Kassenscheine*, which bore no interest and were payable on demand, were issued repeatedly as temporary currency when the supply of bank notes ran short and were subsequently exchanged for bank notes. (For details concerning deposits and sundry liabilities, see *Memorandum on Central Banks 1913 and 1918-1923*, pages 91 and 92.)

Introduction of the schilling currency:

A Federal Law passed on July 19th, 1923, authorised the issue of token coins of nickel, copper and aluminium to replace small banknotes in denominations up to 5,000 kronen. These token coins, which are expressed in kronen and could be issued to a maximum of 20,000 kronen per head of the population, are legal tender only for amounts up to 100,000 kronen. Only coins in denominations of 100, 200 and 1,000 kronen were actually issued.

On December 21st, 1923, a new law was passed authorising the issue of silver coins to replace the 5,000 and 10,000 kronen notes. These coins were to be minted in three denominations equivalent to 5,000, 10,000 and 20,000 kronen respectively and to be called "*Halbschilling*", "*Schilling*" and "*Doppelschilling*". Only the two first-mentioned denominations have been actually coined. These new coins are composed of $\frac{800}{1000}$ silver and $\frac{200}{1000}$ copper, the halbschilling containing 2.8 and the schilling 5.6 grammes of fine silver. Under the above law, the schilling coins were unlimited legal tender but their issue was limited to 60,000 kronen (6 schilling) per head of the population. 3½ millions of these coins were issued in 1924 through the National Bank, which, in conformity with the Bank Law, withdrew an equal sum in bank notes. On account of their high silver contents and the rise in the price of silver, the schilling coins immediately disappeared from circulation.

The Geneva Agreement of September 16th, 1924, contained a clause drawing "the attention of the competent authorities to the desirability of establishing, at an early date, a legal relation between the Austrian crown and a given weight of gold". Acting in conformity with this recommendation, the Government submitted to Parliament on December 12th, 1924, a draft law providing for the introduction of schilling accountancy, the minting of gold coins and other measures concerning the currency system" which law was passed on December 20th. In point of fact a new currency system was introduced by this law.

The unit of currency is the gold *Schilling* divided into 100 *Groschen* (official abbreviations S. and G.). The schilling is equivalent to 10,000 paper kronen and contains 0.21172086 gramme of fine gold (which gold content is based on that of the gold krone converted at the rate of 14,400 paper kronen). The schilling was to be adopted as unit of account in the State administration as soon as possible after December 31st, 1924, and not later than June 30th, 1925. By March 1st the post-office and post-office savings bank, the telegraph, telephone and Federal railway administrations, as well as all banks, including the National Bank, and most private firms had adopted the schilling accountancy. The National Bank is to continue, however, to publish its annual balance sheet also in gold kronen under the Bank Law. The Federal Government is authorised to fix a date after which compulsory schilling accountancy has to be applied by all persons and corporations which are bound to keep books under the commercial law. Sums expressed in kronen in previous laws are to be converted into the new currency at the rate: 1 schilling = 10,000 kronen.

The Federal Government is authorised to mint gold coins in denominations of 25 and 100 schilling of a fineness of 900 parts gold and 100 parts copper, and the National Bank is bound to buy all gold offered to it at the price fixed by the law. The gold coins are unlimited legal tender.

In addition, divisionary coins in silver and bronze have to be minted, the silver coins in denominations of halb-schilling and schilling [1], and the bronze coins in denominations of 1, 2 and 10 groschen. The fineness of the silver coins is reduced by the new law to $\frac{640}{1000}$ silver. The issue of silver coins is limited to a maximum of 10 schilling and that of groschen coins to 5 schilling per head of the population. The silver coins are legal tender for amounts up to 50 schilling and the groschen coins for amounts up to 10 schilling.

The token coins in denominations of 100, 200 and 1,000 kronen, minted under the law of July 19th, 1923, are to serve temporarily as 1, 2 and 10 groschen coins. The silver coins minted under the law of December 21st, 1923, ceased to be unlimited legal tender from December 31st, 1924, but will be accepted in payment without limitation at all public pay offices and at the National Bank up to December 31st, 1926. The old Austrian coins expressed in kronen and heller cease to be legal tender on December 31st, 1925.

A certain quantity of new token coins was put into circulation in the first half-year of 1925. The National Bank has likewise started the issue of bank notes expressed in schilling, but may continue to issue kronen notes up to the end of 1926.

[1] The authorisation to mint doppelschilling will not be made use of.

Table 2.

BELGIUM

ACCOUNTS	1913	1918
ASSETS.		
I. Metallic Reserve at home	305.4	289.7
(*a*) Gold	249.0	264.9
(*b*) Silver and Token coins	56.4	24.8
II. Other items of a Reserve or Cash Nature	12.4	1.4
III. Assets in and Claims on Foreign Countries	—	—
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	—	—
IV. Commercial Bills	801.4	402.2
(*a*) Inland	634.8	301.5
(*b*) Foreign	166.6	100.7
V. Securities and Investments	102.8	2,601.0
(*a*) Government	58.5	2,598.3
(*b*) Other	44.3	2.7
VI. Loans and Advances	61.4	455.0
(*a*) to the Government	—	371.2
(*b*) on Government securities	61.4	83.8
(*c*) Other	—	—
VII. Sundries (including Premises, etc.)	36.8	213.9
VIII. Total Assets	**1,320.2**	**3,963.2**
LIABILITIES.		
IX. Capital	50.0	50.0
X. Reserve Funds	50.5	57.1
XI. Profit and Loss and Dividends Accounts, etc.	4.3	4.3
XII. Notes in circulation	1,067.3	3,210.5
XIII. Post Bills, Cheques, etc., in circulation	—	—
XIV. Current Accounts	117.1	582.7
(*a*) Government	—	—
(*b*) Other	—	—
XV. Other Deposits	19.0	18.0
(*a*) Government	9.6	16.1
(*b*) Other	9.4	1.9
XVI. Sundries (including Pension Funds)	11.9	40.6
XVII. Total Liabilities	**1,320.2**	**3,963.2**

Table 2.

BELGIUM

NATIONAL BANK OF BELGIUM

Position in Francs (000,000's omitted) at the end of

1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
293.5	294.4	307.2	323.9	345.6	340.7	337.4	337.5	346.3
266.4	266.5	266.6	268.9	270.5	270.5	270.5	270.5	272.3
27.1	27.9	40.6	55.0	75.1	70.2	66.9	67.0	74.0
7.8	2.7	6.7	4.0	6.8	31.5	22.4	19.8	20.8
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
452.1	888.8	478.4	730.5	1,373.0	1,404.8	1,312.4	1,344.2	1,583.4
395.2	861.6	458.3	713.1	1,354.8	1,387.0	1,294.9	1,327.1	1,553.4
56.9	27.2	20.1	17.4	18.2	17.8	17.5	17.1	30.0
6,390.6	6,093.2	6,095.6	5,998.9	5,902.1	5,904.1	5,854.4	5,856.0	5,806.2
6,388.1	6,090.6	6,093.0	5,995.8	5,899.1	5,900.5	5,850.9	5,852.5	5,802.6
2.5	2.6	2.6	3.1	3.0	3.6	3.5	3.5	3.6
63.3	161.1	208.0	275.3	355.1	425.8	519.3	380.3	583.9
—	—	—	—	—	—	—	—	—
63.3	161.1	208.0	275.3	355.1	425.8	519.3	380.3	583.9
—	—	—	—	—	—	—	—	—
208.3	144.4	158.4	176.1	180.3	116.4	187.4	117.5	191.4
7,415.6	**7,584.6**	**7,254.3**	**7,508.7**	**8,162.9**	**8,223.3**	**8,233.3**	**8,055.3**	**8,532.0**
50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
59.5	61.6	64.1	67.1	70.3	70.6	72.3	72.5	74.1
4.3	5.3	5.6	5.6	6.5	—	6.8	—	7.4
4,785.9	6,260.5	6,415.0	6,876.4	7,537.2	7,651.7	7,668.8	7,526.1	7,873.1
—	—	—	—	—	—	—	—	—
2,481.7	1,159.3	667.1	456.8	430.3	414.8	348.2	381.7	437.7
242.6	59.5	93.5	56.5	20.6	46.5	58.6	116.5	1.8
2,239.1	1,099.8	573.6	400.3	409.7	368.3	289.6	265.2	435.9
15.5	20.1	23.1	21.6	35.2	31.8	48.3	20.3	48.9
6.7	15.0	15.0	15.5	22.4	0.3	26.0	0.5	28.1
8.8	5.1	8.1	6.1	12.8	31.5	22.3	19.8	20.8
18.7	27.8	29.4	31.2	33.4	4.4	38.9	4.7	40.8
7,415.6	**7,584.6**	**7,254.3**	**7,508.7**	**8,162.9**	**8,223.3**	**8,233.3**	**8,055.3**	**8,532.0**

BELGIUM

Notes.

Metallic reserves and foreign assets:

On account of the German occupation of Belgium, the gold reserve of the National Bank was deposited, during the whole war, with the Bank of England earmarked for Belgian account. After the Armistice, it was brought back to Belgium. The small augmentation of the gold reserve in recent years is due to purchase of gold produced in the Congo.

By a law dated December 31st, 1921, the Government was empowered to issue token currency in denominations of 1 franc to a value of 75 million francs. By a law dated June 17th, 1923, the Minister of Finance was authorised to issue a further quantity of two-franc pieces to a value of 30 million francs. The increase of the reserve figures shown under I (*b*) in Table 2 above is made up mainly of such new token coins.

The combined figures for the Bank's foreign-bill holdings and its foreign balances given under IV (*b*) in Table 2 and in Table V (Vol. I) are included in the metallic reserve as shown in the balance-sheets and are counted, therefore, like the gold and silver coins, at the legal or pre-war parities. The equivalent in Belgian paper francs of this foreign exchange reserve converted at the average New York rate on Brussels during the month preceding each of the dates given in the tables was as follows (000,000's omitted):

End of		End of	
December 1918	113.4	March 1923	59.5
» 1919	116.2	June »	61.8
» 1920	83.9	Sept. »	71.2
» 1921	52.–	Dec. »	76.7
March 1922	43.9	March 1924	88.9
June »	45.9	June »	75.2
Sept. »	51.4	Sept. »	66.8
Dec. »	50.7	Dec. »	116.6

The increase shown above in December 1924 was connected with the floating on the American market in the middle of that month, of a State loan of $50 millions at a net interest of 7 % and repayable in 30 years. This loan, which constitutes only the first half of an expected 100 million dollar loan, the second half to be raised early in 1925, was contracted for the purpose of consolidating part of the floating debt, represented by "industrial war damage securities", for the economic development of the Congo and for the protection of the franc. The National Bank has declared itself disposed to undertake — under the control and for the account of the Government — the management of the foreign assets arising from the loan with a view to regulating the exchange rates. Moreover, under a special convention, the Bank has agreed to treat as unproductive metallic reserve "such portions of the dollar holdings as are given to it in exchange for bills from its own portfolio, the sums accruing from the investment of these dollar holdings to be attributed to the State".

According to information in the financial Press, the negotiations for the second half of the projected loan have been adjourned for the time being.

Securities, loans and advances of the National Bank:

The claims on the Government shown under V (*a*) in Table 2 above, the greater part of which serve as counter-value for the notes in circulation, were composed as follows:

Francs (000,000's omitted).

End of:	1913	1918	1919	1920	1921	1922	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Investments in Government securities	58.5	80.6	108.1	110.6	113.–	115.8	119.1	120.5	120.9	122.5	122.6
Inter-provincial debt taken over by the State . . .	—	480.–	480.–	480.–	480.–	480.–	480.–	480.–	480.–	480.–	480.–
Belgian Treasury Bonds representing the advance to the State for the withdrawal of German currency	—	(2,037.7)	5,800.–	5,500.–	5,500.–	5,400.–	5,300.–	5,300.–	5,250.–	5,250.–	5,200.–
	58.5	2,598.3	6,388.1	6,090.6	6,093.–	5,995.8	5,899.1	5,900.5	5,850.9	5,852.5	5,802.6

The figure in parentheses in the 1918 column includes 1,481.9 million francs shown in the balance-sheet as a "claim on the German State on account of the withdrawal of mark currency". This claim was transferred later into an advance to the Belgian Government and incorporated in the 5,800 million francs advanced to the State under the Convention of July 19th, 1919, for the withdrawal of the mark notes put into circulation in Belgium during the German occupation. Article 3 of that Convention reads as follows:

> The State engages itself to repay as fast as possible the advances made by the Bank. The profits from the total or partial sale *(aliénation)* or pledging *(dation en gage)* of the mark notes withdrawn from circulation and deposited with the National Bank shall be used as repayment of these advances.

The advances are given free of interest; but, as compensation for the cost of printing the notes issued in connection therewith, the Government pays a provision of 1/4 % p. a. "of the note circulation in excess of that fraction which corresponds to the interest-bearing operations", this provision to be increased by a sum corresponding to the annual stamp duty on the bank notes.

It will be observed that the Government repaid to the Bank 600 million francs from the end of 1919 to the end of 1924. By a law of August 10th, 1923, a sinking fund was established and a definite scheme for the repayments in the future adopted. The regulations concerning the sinking fund read as follows:

> There is established a special fund to be utilised, under conditions to be fixed by the Minister of Finance, for the amortisation of the advances given to the State by the National Bank of Belgium in view of the withdrawal of the German currency authorised by the law of October 24th, 1919. This fund will be formed from:
>
> (1) The German currency withdrawn from circulation in Belgium and on the territory of Eupen-Malmedy and all resources arising from the utilisation of this currency;
>
> (2) The sums accrued to the State on account of fraudulent exchange of German currency;
>
> (3) A sum equal to the net profits from the liquidation of: (*a*) the property of German subjects seized by virtue of the laws of November 10th, 1918, and November 17th, 1921; (*b*) non-seized securities given to Belgium in execution of Section IV, Annex S. 10 of the Treaty of Versailles;
>
> (4) Sums to be provided for each year in the Budget for the purpose of the amortisation of the advances given in conformity with the law of October 24th, 1918.

In conformity with the above law, a grant of 50 million francs for the special sinking fund was provided for in the Budget for 1924, a corresponding repayment of the Government debt being made in April and May, and at the end of December another 50 million francs were repaid.

According to Article 23 of its Statutes, the National Bank was allowed to hold discounted Treasury bills only up to 20 million francs. It is not stated in the reports of the Bank whether the domestic portfolio shown in Group IV (*a*) of Table 2 above contains any such bills. The sum shown under VI (*a*) at the end of 1918 consisted of 131.5 million francs advanced to the State on current account and 239.7 million francs for "payment during the war of coupons and unpaid interests on Belgian State loans". Since then, no such advances have been accorded to the Government. It will be noted from the table, however, that, apart from the discounts, advances on Government securities represent the only other advances of the Bank.

Note circulation:

Owing to the German occupation, it is not possible to compare the note circulation in Belgium for the years 1914 to 1918 with the pre-war and post-war circulation. After December 22nd, 1914, the National Bank of Belgium was prevented by the German authorities from issuing notes or re-issuing those which were returned to it. As a result, the bank notes in circulation diminished gradually from the end of 1914 until the Armistice. The actual figures were as follows:

	Francs (000,000's omitted).
December 1914	1,614
» 1915	1,320
» 1916	1,282
» 1917	1,268

In addition to the National Bank notes, an issue was begun in August 1914 of *comptes courants* notes, to meet demands against current accounts with the Bank, more especially of the *Caisse générale d'Epargne*. The total issue was limited to 200 million francs, and after the spring of 1915 these notes were gradually withdrawn from circulation. The maximum figure reached was that for January 15th, 1915, when there were 189,310,400 francs in circulation. By December 31st, 1918, the circulation had decreased to 36 million francs, and by the end of 1922 none of these notes was outstanding.

The main issues during the German occupation, however, consisted of the notes of the *Société générale de Belgique* and of German notes, which had a forced legal tender at the rate of 1 mark to 1.25 francs. The Issue Department of the *Société générale de Belgique* was transferred after the Armistice to the National Bank. The small quantity of *comptes courants* notes and notes of the *Société Générale de Belgique* outstanding at the end of 1921 were withdrawn during the course of 1922, with the result that the notes of the Bank of Belgium are now the only form of paper circulation.

The extension of the circulation to Eupen and Malmedy naturally involved an additional demand for currency. The quantity of German marks exchanged in these districts is indicated by a law dated March 23rd, 1923. By this law, the exchange which had been effected of 9 million francs against 9 million marks, an advance of 65 million francs and the issue of *bons de caisse* for 45 million francs, both for conversion purposes, were approved.

On October 12th, 1918, a decree had been issued prohibiting the import of additional mark currency from Germany into Belgium. The German currency was then gradually withdrawn, exchanged and put out of legal circulation: (*a*) to the extent of 1,792 million francs by means of three-year 5 per cent Treasury Bills (November 9th, 1918-January 15th, 1919); and (*b*) to the extent of 5,800 million francs by the above-mentioned advances from the National Bank. The rate of exchange was fixed at 1 mark to 1.25 francs. Subscribers to the Treasury Bills were given the option of paying three-quarters of their subscriptions in German marks.

By July 1919, the Bank had issued notes to the value of approximately 3,500 million francs, against 5,500 million francs' worth of currency withdrawn. The balance, which remained for a considerable time with the Bank in the form of current accounts, has since been largely drawn upon, as is illustrated by the movements in the items XII and XIV of Table 2 above. It will be observed that, until June 1923, the note circulation of the Bank increased roughly in proportion with the reduction of the current-account liabilities of the Bank. It should be noted in this connection that the demand for Belgian currency has increased since June 1st, 1922, when the Monetary Convention with Luxemburg came into force, the currency having to serve an additional population of approximately 300,000 persons.

(See also notes under LUXEMBURG and SWITZERLAND.)

BULGARIA

Table 3.

BULGARIA

ACCOUNTS	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	78.7	83.4	54.1
(*a*) Gold	55.3	64.0	37.0
(*b*) Silver and Token coins	23.4	19.4	17.1
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	12.2	116.2	25.1
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	12.2	116.2	25.1
IV. Commercial Bills	42.7	102.6	378.9
(*a*) Inland	41.1	20.7	16.6
(*b*) Foreign	1.6	81.9	362.3
V. Securities and Investments	12.3	424.9	233.0
(*a*) Government	8.7	421.5	229.9
(*b*) Other	3.6	3.4	3.1
VI. Loans and Advances	285.5	1,483.3	2,343.0
(*a*) to the Government	142.9	1,335.8	2,199.7
(*b*) on Government securities	13.3	18.7	27.0
(*c*) Other	129.3	128.8	116.3
VII. Sundries (including Premises, etc.)	31.8	1,071.5	1,069.6
VIII. Total Assets	**463.2**	**3,281.8**	**4,103.7**
LIABILITIES.			
IX. Capital	13.0	20.0	100.0
X. Reserve Funds	10.7	62.4	58.2
XI. Profit and Loss and Dividends Accounts, etc.	11.3	103.6	82.9
XII. Notes in circulation	188.7	2,298.6	2,858.5
XIII. Post Bills, Cheques, etc., in circulation	2.9	2.9	1.6
XIV. Current Accounts	146.6	623.4	785.9
(*a*) Government	127.3	484.0	489.0
(*b*) Other	19.3	139.4	296.9
XV. Other Deposits	50.5	101.2	120.9
(*a*) Government	45.1	96.7	116.7
(*b*) Other	5.4	4.5	4.2
XVI. Sundries (including Pension Funds)	39.5	69.7	95.7
XVII. Total Liabilities	**463.2**	**3,281.8**	**4,103.7**

Table 3.

BULGARIA

NATIONAL BANK OF BULGARIA

Position in Leva (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
54.0	58.9	56.8	56.4	56.7	57.0	56.9	57.6
37.1	38.0	38.4	39.5	39.7	39.9	39.9	40.4
16.9	20.9	18.4	16.9	17.0	17.1	17.0	17.2
—	—	—	14.6	40.9	35.8	29.4	10.8
414.5	147.7	238.2	921.1	691.2	451.2	582.2	809.0
—	—	—	—	—	—	—	—
414.5	147.7	238.2	921.1	691.2	451.2	582.2	809.0
280.0	99.4	61.6	229.0	239.4	307.2	423.7	355.3
14.5	33.7	61.5	154.8	159.7	194.9	270.2	308.5
265.5	65.7	0.1	74.2	79.7	112.3	153.5	46.8
53.4	60.7	32.1	44.2	46.3	45.4	45.7	43.5
49.9	57.3	17.1	27.6	27.6	26.7	27.0	26.9
3.5	3.4	15.0	16.6	18.7	18.7	18.7	16.6
3,638.8	4,389.9	5,181.8	5,597.7	5,480.3	5,503.3	5,675.2	6,218.2
3,481.6	4,122.2	4,879.8	5,107.8	4,952.1	4,936.4	4,876.0	5,298.5
19.6	30.9	14.3	19.3	528.2	566.9	799.2	919.7
137.6	236.8	287.7	470.6				
1,001.4	953.3	597.5	145.7	862.9	407.6	111.0	155.0
5,442.1	**5,709.9**	**6,168.4**	**7,008.7**	**7,417.7**	**6,807.5**	**6,924.2**	**7,649.4**
100.0	100.0	200.0	200.0	273.3	273.3	273.3	273.3
290.1	300.9	314.7	329.4	302.3	297.2	295.8	284.0
136.1	249.6	125.4	167.9	—	—	—	—
3,354.1	3,615.4	3,886.0	4,139.0	4,747.7	4,793.4	4,361.8	4,530.3
—	—	—	—	—	—	—	—
1,084.2	1,047.2	1,306.1	1,849.8	1,823.8	1,025.7	1,354.4	1,938.8
615.9	525.9	679.7	756.5	—	—	—	—
468.3	521.3	626.4	1,093.3	—	—	—	—
309.1	218.2	209.6	192.8	188.8	270.7	305.2	301.8
305.4	218.2	209.6	192.8	188.8	270.7	305.2	301.8
3.7	—	—	—	—	—	—	—
168.5	178.6	126.6	129.8	81.8	147.2	333.7	321.2
5,442.1	**5,709.9**	**6,136.3**	**7,008.7**	**7,417.7**	**6,807.5**	**6,924.2**	**7,649.4**

BULGARIA.

Notes.

Metallic reserve and foreign assets — Exchange policy.

The decrease in the gold reserve in 1919 was due to the export of 27 million leva to the United States of America in payment of flour imported by the Government. Since 1923 a certain amount of aluminium coins has been struck and put into circulation. These coins, when held by the National Bank, are not included in its legal metallic reserve and are shown in group II of Table 3 above. On the other hand, up to 1923, the Bank's holdings of foreign banknotes were included in its metallic reserve and shown in the balance sheets at the legal pre-war parity. These banknotes, which in Table 3 are included in the foreign assets under III (*b*), are shown separately in Table V (Vol. I).

It will be observed that there are certain discrepancies with regard to the figures for the Bank's balances abroad, as shown in the present Memorandum and those given in the Memorandum on Central Banks, 1913 and 1918–1923. These discrepancies are due to a different treatment of the credits granted during the war to the Bulgarian Government by her allies in the form of German Treasury bills, which had been ceded to the National Bank in " repayment " of part of the Government debt to the Bank. These credits have not been disposable since January 1918, when they amounted to the equivalent of 1,350 million leva. In the course of that year, the Government assumed the liability for part of this amount, namely, the 341.5 million leva shown under the heading " Debt of foreign correspondents for the account of the State " in the detailed statement of the State indebtedness to the Bank on page 23 below. From the remainder, maintained in the foreign exchange reserve of the Bank, certain additional amounts were transferred to the above-mentioned Government account in subsequent years. For the purpose of the present Memorandum, a calculation has been made of the balance of the illiquid credit, which balance has been deducted from the foreign correspondents' account as shown in the returns of the Bank and included under sundry assets in group VII of Table 3. In 1922 about 400 million leva were written off from this balance on account of the depreciation of the German currency, and the greater part of the remainder would appear to have been written off in 1923, mainly from gross profits. Certain off-writings have in addition been effected out of the " Loss on exchange fund for completing the gold reserve ", included in group X of the table. This fund was formed in 1920 from the profit in paper leva made on the sale mentioned above in 1919 of part of the gold reserve. The " profit " accruing to the Bank from this operation represented the difference between the paper value of the gold sold and the legal par value at which it had been shown in the balance sheet. The initial amount of the fund was 219.8 million leva; by the end of 1923 it had fallen to 152.5 million leva. Since the end of 1923 no deductions from the foreign correspondents' account would appear to be necessary.

The increase in the foreign balances and the foreign bills (groups III (*b*) and IV (*b*) of the table) in 1919 and 1920 was due mainly to the acquisition of foreign assets by the Central Exchange Bureau and the " Consortium for the Export of Cereal ", both of which institutions were closely connected with the Bank and were charged with the collection of the foreign exchange which the exporters had to cede to the State under the exchange regulations then in force. Since the end of 1921 this exchange is shown as a transitory item on both sides of the balance sheets of the Bank and have been excluded from Table 6.

In order to secure a firmer control of the exchange market, the exclusive monopoly of transactions in foreign currency was given to the National Bank by a Decree of December 12th, 1923. Private banks may only purchase and sell foreign exchange for their customers through the National Bank, at the rates fixed by it and only for purposes approved as legitimate by the Bank. The exportation of Bulgarian banknotes, bonds and coupons of Bulgarian State and municipal loans or those of Bulgarian agricultural and State banks, as well as gold and silver coin, is strictly forbidden. Leva deposits of foreign banks and other firms made after December 19th, 1923, may not be converted into foreign currency except upon the express approval of the National Bank. Finally, the exporters of goods must turn over to the National Bank the foreign exchange received within 10 days after having been notified that the money has been

placed at their disposal, and importers must inform the National Bank of orders placed abroad and declare the amount, kind and value of the goods ordered, as well as the date and terms of payment. Since the introduction of this monopoly, the exchange quotations on the "black bourse" have been constantly above the official quotations.

Investments, Loans and Advances of the National Bank.

The National Bank of Bulgaria is a State institution. The total of the Bank's claims on the State was composed as follows on the various dates given in Table 3 above:

Leva (000,000's omitted).

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec 1924
Public securities. . .	8.7	421.5	229.9	49.9	57.3	17.1	27.6	27.6	26.7	27.–	26.9
Advances to the Treasury on current account	142.9	881.3	1,771.3	2,964.3	3,702.3	3,797.3	3,827.7	3,672.8	3,689.5	3,593.9	3,893.9
Treasury bills discounted	—	—	—	—	—	150.–	300.–	300.–	300.–	300.–	250.–
Advances to the National Debt Office . .	—	—	—	—	—	333.1	218.2	624.7	592.9	553.6	641.5
"Debt of foreign correspondents for the account of the State"	—	341.5	360.5	380.6	40.8	412.9	424.2				
Other loans and advances to the State and various State institutions	—	113.–	67.9	136.7	18.1	186.5	337.7	354.6	354.–	428.5	513.1
Total . .	151.6	1,757.3	2,429.6	3,531.5	4,179.5	4,896.9	5,135.4	4,979.7	4,963.1	4,903.–	5,325.4

The security holdings consisted at the end of the years 1918–1921 almost exclusively of Treasury bonds which the Bank had taken over for the purpose of placing them in the market.

The pre-war regulations concerning the advances to the Government were actually suspended during the Balkan wars when the banknotes became unredeemable. Formally, these regulations of the banking law were not changed until the end of 1918. By a Decree dated January 3rd, 1919, Article 50 of the banking law was suspended until "the final liquidation of the consequences of the war", with the result that the National Bank was authorised to make unlimited advances in uncovered banknotes to the Treasury. In connection with certain agreements reached with the Reparation Commission under which the reparation obligations of Bulgaria were modified, the Bulgarian Diet passed a law on the "restriction of the note issue and the indebtedness of the State Treasury to the National Bank of Bulgaria". According to Article 2 of this law, dated June 30th, 1922, the total of all the advances granted by the Bank to the State as a rule, may not exceed 4,700 million leva. Subject to the approval of the Inter-Allied Commission, this maximum limit may be exceeded temporarily during periods of law tax-receipts. In conformity with this article, the Inter-Allied Commission has approved the discounting of six-months Treasury bills shown separately in the statement above. It will be noted that at the end of 1923 and 1924 the above maximum was exceeded by more than the amount of the Treasury bills discounted by the Bank. According to Article 3 of the above law, the debt of the State Treasury to the National Bank is subject to an interest of 3 % per annum, two-thirds of which shall be paid into a sinking fund for that debt.

The origin of the "debt of foreign correspondents for the account of the State" is explained in the preceding section. Since the end of 1923 this item in the balance sheet of the Bank is included in the advances to the National Debt Office. Moreover, that portion of the non-disposable German credits, the estimated amount of which has been included under sundry assets in Table 3 and against which notes had been issued for the account of the State, would appear, in point of fact, to have constituted an additional State debt, although it has not been treated as such in the reports of the Bank. As already mentioned, the greater part of it has been written off from the profits of the Bank which, however, form part of the State revenue as the Bank is a State institution. The last item in the detailed statement above is shown in the balance sheets under the heading "Special current accounts under the guarantee of the State" and represents the total of certain advances granted directly or indirectly to the Government for food supply and for various other relief and social works.

The "other" investments in group V (*b*) of the table represent "participations", concerning which no details are given in the Bank's reports. The "other" loans and advances under VI (*c*) consist for the greater part of long-term loans representing mainly mortgage loans and, in addition, loans to local authorities and public institutions for various construction purposes, etc.

Note circulation.

According to Article 1 of the Law of June 30th, 1922, mentioned above, the amount of notes in circulation may not exceed the maximum limit of the Government debt to the Bank (fixed at 4,700 million leva by Article 2 of the same law) by more than 12 times the amount of the gold and silver reserve. The maximum amount of notes which could be put in circulation under the terms of this article at the end of 1922, 1923 and 1924 was about 5,400 million leva.

In 1922 special cheques to an amount of 185 million leva were put into circulation as emergency currency, but these cheques were later withdrawn.

Deposits of the National Bank.

The deposits shown under XV (*a*) in Table 6 consisted up to June 1924 for the major part of the pensions funds of the Civil Service and the Military Administration and of certain other public funds deposited mostly for a fixed period of 5 years at 5 % interest. The amounts shown since June 1924 include the sinking fund for the State debt to the Bank as follows:

	Leva (000,000's omitted).		
End of	June 1924	Sept. 1924	Dec. 1924
Fund of the Treasury for amortisation of the State debt to the Bank	86.2	131.3	131.3
Time deposit bearing interest	184.5	173.9	170.5
Total	270.7	305.2	301.8

Further details concerning the sinking fund for the State debt to the Bank are given in the section dealing with the loans and advances of the Bank.

CZECHOSLOVAKIA

Table 4.

CZECHOSLOVAKIA

ACCOUNTS	BANKING OFFICE OF Position in Korony		
	1919	1920	1921
ASSETS.			
I. Metallic Reserve at home	—	152.8	552.3
(*a*) Gold	—	—	—
(*b*) Silver and Token coins	—	—	—
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign countries	13.9	482.3	532.6
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	13.9	482.3	532.6
IV. Commercial Bills	79.6	2,015.6	1,893.0
(*a*) Inland	79.6	2,015.6	1,893.0
(*b*) Foreign	—	—	—
V. Securities and Investments	6,939.5	9,522.1	10,096.6
(*a*) Government	6,939.5	9,522.1	10,096.6
(*b*) Other	—	—	—
VI. Loans and Advances	502.3	2,322.7	2,332.9
(*a*) to the Government	—	—	—
(*b*) on Government securities	—	—	618.4
(*c*) Other	502.3	2,322.7	1,714.5
VII. Sundries (including Premises, etc.)	145.1	548.7	1,031.9
VIII. Total Assets	**7,680.4**	**15,044.2**	**16,439.3**
LIABILITIES.			
IX. Capital	—	—	—
X. Reserve Funds	—	—	222.0
XI. Profit and Loss and Dividends Accounts	7.5	89.0	45.1
XII. Notes in circulation	4,723.3	11,288.5	12,129.6
XIII. Post Bills, Cheques, etc., in circulation	283.7	226.7	350.5
XIV. Current Accounts	1,127.2	1,144.2	652.5
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XV. Other Deposits	1,439.4	2,233.8	2,148.3
(*a*) Government	1,439.4	2,106.4	1,750.2
(*b*) Other	—	127.4	398.1
XVI. Sundries (including Pensions Fund)	99.3	62.0	891.3
XVII. Total Liabilities	**7,680.4**	**15,044.2**	**16,439.3**

CZECHOSLOVAKIA

THE MINISTRY OF FINANCE.

000,000's omitted) at the end of

1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
819.7	774.9	782.4	787.7	790.4	790.3
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
601.2	1,494.4	921.3	934.5	917.3	997.1
—	258.1	260.2	260.2	260.2	260.2
601.2	1,236.3	661.7	674.3	657.1	736.9
541.4	667.0	672.7	667.5	799.9	1,313.5
541.4	667.0	672.7	667.5	799.9	1,313.5
—	—	—	—	—	—
10,096.7	10,096.9	10,097.0	10,097.0	10,099.5	10,099.5
10,096.7	10,096.9	10,097.0	10,097.0	10,099.5	10,099.5
—	—	—	—	—	—
1,670.9	1,330.5	1,114.2	1,501.5	1,126.7	1,211.6
—	—	—	—	—	—
174.0	378.3	367.3	737.9	373.9	586.5
1,496.9	952.2	746.9	763.6	752.8	625.1
290.7	649.7	405.9	366.0	220.3	927.1
14,020.6	**15,013.4**	**13,994.1**	**14,354.2**	**13,954.1**	**15,339.1**
—	—	—	—	—	—
193.2	206.5	—	—	—	—
2.1	86.7	—	—	—	—
10,064.0	9,598.9	8,280.4	8,081.1	8,222.7	8,810.3
53.9	16.4	13.5	11.8	9.7	8.8
599.5	966.0	650.2	1,093.5	438.1	1,164.2
—	—	—	—	—	—
—	—	—	—	—	—
2,565.1	3,509.2	3,784.5	3,807.0	3,916.8	4,100.7
2,414.8	3,500.7	3,782.7	3,805.9	3,915.1	4,100.2
150.3	8.5	1.8	1.1	1.7	0.5
542.8	633.7	1,265.5	1,360.8	1,366.8	1,255.0
14,020.6	**15,013.4**	**13,994.1**	**14,354.2**	**13,954.1**	**15,339.1**

CZECHOSLOVAKIA.

Notes.

The Banking Office of the Ministry of Finance and the new National Bank:

The Banking Office of the Ministry of Finance was established by a Law of April 10th, 1919, as a provisional bank of issue with the right to issue paper money on behalf of the State. It took over all the branches of the Austro-Hungarian Bank situated in Czechoslovak territory and issued notes in exchange for the Austro-Hungarian Bank notes stamped by the Czechoslovak Government. Apart from this transaction, the Banking Office has operated almost exclusively as a bankers' bank on a commercial basis.

On April 14th, 1920, a law was passed containing detailed provisions for the establishment of a note-issuing National Bank as an independent joint-stock company. This law was to be carried into effect "when the economic conditions would make it desirable". Acting in conformity with this provision, the Government on March 12th, 1925, submitted a bill authorising the carrying into effect of the above law and fixing the final conditions for the establishment and operation of the National Bank. This bill was passed by Parliament and preparations are being made for the establishment of the Bank by the end of 1925.

The National Bank will have a share capital of 12 million *dollars*, of which the State may subscribe one-third. The Government is authorised to pay this subscription from the assets obtained through the liquidation of the Austro-Hungarian Bank and from the State gold reserve. The Bank will have the exclusive right of note issue and take over all commercial assets and liabilities of the Banking Office as well as the State debt, concerning the liquidation of which an agreement is to be concluded between the Government and the Bank. The present paper currency will be maintained provisionally, but the Bank is bound to stabilise it at the average dollar rate for the two last years, *i.e.* between $2.90 and $3.03 to Kč. 100. In case of need, the Government may raise a loan of 50 million dollars or the equivalent in pounds sterling, to be used exclusively for that purpose, the Bank to be charged with the service of this loan.

The National Bank, which will not be allowed to make any direct advances to the State, will be under the administration of a Governor, appointed for five years by the President of the Republic, and a board consisting of ten members, of whom six are to be elected for six years by the shareholders, three to be appointed for the same period by the State President on the recommendation of the Government, and one, the only one who need not be a Czechoslovak national, to be elected for two years by the other members with the approval of the Governor. The participation and representation of foreign capital is not excluded.

Metallic and foreign exchange Reserves:

The value of the metallic reserve as shown in the balance sheets of the Banking Office and in Table 4 above represents the aggregate purchase value in korony of the various purchases of gold and silver effected since August 1920. The value in gold francs of the gold included in this reserve is shown in Table IV (Vol. I). The approximate value in gold francs of the silver bullion constituting the remainder of the reserve, calculated on the basis of the London silver quotations at the end of the years 1920–1924, was as follows:

End of	1920	45	million	gold	francs
»	1921	29	»	»	»
»	1922	24	»	»	»
»	1923	23	»	»	»
»	1924	20	»	»	»

No discrimination is legally made between the gold deposits abroad and the gold reserve at home. The increase in the gold reserve since the end of 1921 as shown in Table IV (Vol. I) would appear to be mainly due to the gold received by the Government as a result of the distribution of the reserve of the Austro-Hungarian Bank. The foreign exchange reserve shown in Table V (Vol. I) and in group III (*b*) in Table 4 above includes, in addition to balances with foreign banks, foreign bills and banknotes.

Indebtedness of the State to the Banking Office:

The only direct indebtedness of the State to the Banking Office is that arising from the stamped notes, "*Kassenscheine*" and current accounts of the Austro-Hungarian Bank which serve as counter-value for the fiduciary note issue, and up to the end of 1924 were shown on the assets side of the returns of the Banking Office at the following values:

Kč. (000,000's omitted).

End of	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Austro-Hungarian Bank notes retained on the occasion of stamping or withdrawn from circulation and replaced by State notes	4,854.4	7,437.7	8,012.2	8,012.3	8,012.5	8,012.6	8,012.6	8,015.1	8,015.1
Cheque accounts and cash vouchers *(Kassenscheine)* of the Austro-Hungarian Bank taken over by the Banking Office	2,085.1	2,084.4	2,084.4	2,084.4	2,084.4	2,084.4	2,084.4	2,084.4	2,084.4
Total	6,939.5	9,522.1	10,096.6	10,096.7	10,096.9	10,097.–	10,097.–	10,099.5	10,099.5

These sums given under V (*a*) in Table 4 represent, however, the gross indebtedness of the State to the Office and were in part covered by certain deposits and other sums due to the State entered on the liabilities side of the returns. These were up to the end of 1924 arranged in a manner which did not permit an exact calculation of the net indebtedness. On December 31st, 1924, the Banking Office changed the form of its weekly return, which, since then, only includes the uncovered net balance of the State note debt, the details concerning the note debt being given in separate statements. The net indebtedness on the above date amounted, according to the new form, to Kč. 5,636.5 millions, whereas a calculation on the basis of the old form gives a figure of Kč. 5,999.3 millions. According to a special statement published by the Banking Office, the net indebtedness of the State on January 31st of each of the years 1920–1925 was as follows:

End of January	1920	Kč.	8,829.–	millions
» »	1921	»	8,236.8	»
» »	1922	»	7,944.1	»
» »	1923	»	7,117.5	»
» »	1924	»	6,071.7	»
» »	1925	»	5,584.5	»

On April 8th, 1920, a levy on capital and on capital increases was imposed, to be paid over a period of three to five years, the yield of which has been almost exclusively set aside for the repayment of the State note debt. The reduction in this debt shown above has been due to the payments effected on account of that levy. Up to the end of 1924, the special account with the Banking Office to which these payments are credited was shown on the liabilities side of the returns and is included under XV (*b*) of Table 4 together with the balance of the Austro-Hungarian Bank notes retained on the occasion of stamping for details see section on note circulation below) as follows:

Kč. (000,000's omitted).

End of	1919	1920	1921	1922	1923	March. 1924	June 1924	Sept. 1924	Dec. 1924
Austro-Hungarian Bank notes retained on the occasion of the stamping (remaining part)	1,439.4	1,948.4	1,056.9	390.6	126.9	86.9	63.9	45.7	27.8
Payments on account of the capital levy	—	158.–	693.3	2,024.2	3,373.8	3,695.8	3,742.–	3,869.4	4,072.4
Total	1,439.4	2,106.4	1,750.2	2,414.8	3,500.7	3,782.7	3,805.9	3,915.1	4,100.2

Under the Law of March 12th, 1925, the tax on the note circulation and the Government share in the profits of the National Bank are to be devoted, in addition to the payments on the capital levy, to the redemption of the State note debt. When this debt has been reduced below Kč. 5 milliards, two-thirds of the yield of the capital levy may be used for the redemption of the 6 per cent Treasury Bonds issued to an amount of about Kč. 1 ½ milliard to meet current expenditure in pursuance of the Law of August 12th, 1921. The Banking Office discounts such bonds by arrangement with the commercial banks. The sums thus discounted are shown in the returns under the heading " discounted securities " and are included under VI (*b*) in Table 4.

Note circulation:

In accordance with the law passed on February 25th, 1919, the notes of the Austro-Hungarian Bank in circulation in Czechoslovakia, with the exception of the one- and two-kronen notes, were stamped. Fifty per cent of the notes were retained at the time of stamping as a forced loan at 1 % interest. Those presenting notes to the value of not more than 500 kronen and certain public, social and charitable institutions were, however, repaid at once in full and subsequently additional accounts were released, the quantity on account of this main conversion retained being 2,134.3 million kronen. A certain amount (finally 312.6 million kronen) was later retained in connection with minor " supplementary exchanges and purchases of banknotes". In exchange for the banknotes retained, the note-holders received " certificates of retention", which they were allowed to use at their face value in payment of the capital levy imposed by the Law of April 8th, 1920. This is the reason for the reduction in the first item of the detailed statement on the preceding page. By the end of May 1925, there remained only Kč. 3.8 millions which had not yet been used for that purpose.

In addition to the note circulation, the Czechoslovak Government assumed the liability for the current accounts and the *Kassenscheine* of Czechoslovak branches of the Austro-Hungarian Bank, representing a total of 2,084.4 million kronen. One-half of these *Kassenscheine* (total amount 467.5 million kronen) and of the private current accounts (total amount 827.2 million kronen) were held back by the Government under the forced loan law, the remaining half being left at the free disposal of the creditors. The Government current accounts amounted to 789.7 million kronen.

By a Law dated April 10th, 1919, the Austro-Hungarian stamped notes were in effect converted into a new Czechoslovak currency. At the same time the exchange of these stamped notes against new Czechoslovak notes was ordered, one " krone " being exchanged for one " koruna ". After August 31st, 1920, the stamped notes ceased to be legal tender. According to final estimates, the total amount of Austro-Hungarian Bank notes in circulation on December 1st, 1919, was 8,440 million kronen. The increase in the note issue up to August 1920 of the Banking Office was largely due to the exchange of notes already in circulation.

In the case of certain border territories special measures were adopted, the details of which are given in the *Memorandum on Currency*, 1913-1923, page 97.

The new National Bank will take over all the notes of the Banking Office which are to serve provisionally as banknotes. When two-thirds of the share capital of the Bank have been subscribed and fully paid up, and until a final currency law has been put into effect, the Bank will have to keep a reserve in gold and gold-" exchange " amounting to at least 20 % of the total of the note circulation and the obligations payable at sight (cheque account balances and short-term cash vouchers) *less* the uncovered balance of the State note debt. This cover has to be increased up to 35 % over a period of 15 years by 1 % per annum. Gold exchange in the sense of the law consist of banknotes, bills of exchange and sight balances with banks payable in " full-value " currencies. The foreign exchange held in excess of the metallic cover required by law is to be included in the commercial cover. In case the metallic cover falls below the legal ratio, the Bank will have to pay a tax of 1 % above the bank rate as long as the deficiency does not exceed 2 %, this tax to be increased by 1 ½ % for each additional 2 % by which the cover is short of the legal ratio. The note tax must, however, in no case be less than 5 % per annum.

Under a law passed on March 23rd, 1923, a certain quantity of gold ducats containing 986 $^{1}/_{9}$ parts of gold and 18 $^{8}/_{9}$ parts of copper has been issued. These coins are not compulsory legal tender, but are intended for use in commercial contracts. In addition, considerable quantities of silver, nickel. and copper token coins in denominations up to Kč. 5 have been put into circulation.

DANZIG

Table 5. DANZIG

ACCOUNTS	BANK OF DANZIG Position in Gulden (000's omitted) at the end of			
	March 1924	June 1924	Sept. 1924	Dec. 1924
ASSETS				
I. Metallic Reserve at home	586	2,607	2,661	2,548
(*a*) Gold	—	17	14	4
(*b*) Silver and Token coins	586	2,590	2,647	2,544
II. Other items of a Reserve or Cash nature	—	—	—	—
III. Assets in and Claims on Foreign Countries	19,320	23,765	29,594	27,789
(*a*) Gold Deposits abroad	—	—	—	—
(*b*) Book Balances and Credits abroad	19,320	23,765	29,594	27,789
IV. Commercial Bills	1,231	13,653	14,373	17,760
(*a*) Inland	1,231	13,653	14,373	17,000
(*b*) Foreign				760
V. Securities and Investments	—	—	—	—
(*a*) Government	—	—	—	—
(*b*) Other	—	—	—	—
VI. Loans and Advances	1,009	3,772	999	4,170
(*a*) to the Government	—	—	—	—
(*b*) on Government securities	—	—	—	—
(*c*) Other	1,009	3,772	999	4,170
VII. Sundries (including Premises)	—	—	—	1,897
VIII. Total Assets	*	*	*	**54,164**
LIABILITIES				
IX. Capital	7,500	7,500	7,500	7,500
X. Reserve Funds	—	—	—	—
XI. Profit and Loss and Dividends Accounts	—	—	—	1,002
XII. Notes in circulation	14,239	21,007	27,973	31,912
XIII. Post Bills, Cheques, etc., in circulation	—	—	—	—
XIV. Current Accounts	780	15,816	13,376	13,748
(*a*) Government	—	—	—	—
(*b*) Other	—	—	—	—
XV. Other Deposits	—	—	—	—
(*a*) Government	—	—	—	—
(*b*) Other	—	—	—	—
XVI. Sundries (including Pension Funds)	—	—	—	2
XVII. Total Liabilities	*	*	*	**54,164**

* The fortnightly returns of the Bank do not form complete balance-sheets, details being given only for main assets and liabilities.

DANZIG

Notes.

Currency conditions before the reform of November 1923:

By the Paris Treaty of November 9th, 1920, the Free City of Danzig and Poland undertook to enter into negotiations, whenever circumstances should permit, with a view to unifying their monetary systems (Article 36). The German mark, however, remained legal tender in Danzig up to November 20th, 1923. The Free City suffered, therefore, from all the effects of the German inflation without having any control over it. The circulation of municipal emergency mark currency, issued by virtue of a law of November 2nd, 1922, and guaranteed by the property of the municipality, illustrates strikingly the mark depreciation. This circulation, the authorised limit of which had to be raised from time to time, increased as follows:

December 1st,	1922	298 million	mark
January »	1923	348 »	»
February »	»	358 »	»
March »	»	358 »	»
April »	»	3,958 »	»
May »	»	3,958 »	»
June »	»	3,960 »	»
July »	»	3,960 »	»
August »	»	13,960 »	»
September »	»	767,200 »	»
October »	»	79,759,957 »	»
November »	»	3,432,578,634 »	»

In spite of the seemingly large figures, the gold value of the total emergency circulation was always small (less than 3,500 gold mark in November). This issue, therefore, could not and was not intended to meet the main difficulties consequent on the violent and continued depreciation of the mark. As in Germany, in the spring of 1923 the mark was gradually abandoned as a unit of account, and credits were granted, mortgages made and prices fixed in terms of gold or some other relatively stable value. This movement, however, was more rapid and more complete in Danzig than in Germany, and by July the mark had become completely discarded as a standard of value. Such universalisation of a fictive unit of account cannot, however, do more than alleviate part of the economic distress resulting from a violent currency inflation, for wages must necessarily be paid in the paper legal tender, the value of which may have materially changed during the week or days over which it has to be expended.

In the course of 1923, the population of Danzig, to a steadily increasing extent, resorted to notes, bills, etc. in stable foreign currency as a means of payment, even for domestic purposes. An agreement fixing the wages on a gold basis *(Goldlohnpfennig-Abkommen)*, valid from August 13th, 1923, was concluded between employers and employees, and for the payment of the wages so called, industrial cheques were introduced. These cheques, made out in gold pfennig, were redeemable in dollars, a special exchange reserve being kept for that purpose. They were never approved as official currency.

In September 1922, the Financial Committee of the League of Nations recommended the introduction of an independent Danzig currency as the only way out of the currency difficulties. In close collaboration with that Committee, the authorities of the Free City, in the summer of 1923, elaborated a scheme of currency reform involving a preliminary and a final stage, which scheme was incorporated in several laws passed in October and November.

The introduction of an independent currency for Danzig presented special difficulties on account of the smallness of the population of that city *(circa* 360,000). It was proposed, therefore, to adopt a system similar to the gold exchange standard and make the new currency dependent upon the pound sterling, supported by reserves held in London and Danzig.

By the Law of October 20th, 1923, the gulden and pfennig were introduced as the unit of account in the Free City the gulden being equivalent to one-twenty-fifth of the pound sterling and the pfennig to one-hundredth part of a gulden. The German mark was to continue as legal tender and could be accepted

also if desired as a standard of value. The issue of all other forms of currency, including the industrial cheques, after the promulgation of this law, was prohibited and all the instruments of payment then in circulation had to be withdrawn by February 1st, 1924. The Senate was authorised to raise the necessary funds, up to a limit of six million gulden, by means of a loan [1].

At the same time as the provisional law was passed, a "Danziger Zentralkasse A.G." was founded by the Danzig banks as a joint-stock company. This company gave out so-called "Zwischengulden", which were a form of note fully backed by English pounds. They bore the following inscription:

> Danzig 25 gulden. Against this note, one pound sterling is held by the Danziger Zentralkasse Aktiengesellschaft. This sum will be paid to the holder of this note by a cheque on London on the delivery of notes in amounts of not less than 25 gulden.

These provisional gulden notes, issued in denominations varying from one pfennig to 100 gulden, were accepted by the State in payment for taxes, dues, etc., and the fact that the Reichsmark remained legal tender proved to be of only theoretical importance, and the mark notes disappeared entirely from circulation. The existing municipal emergency currency was withdrawn in accordance with the terms of an arrangement reached with the local branch of the Reichsbank under which all notes received by it were taken back by the municipal treasury and repaid by cheques on London. The withdrawal of these notes was finally accomplished by November 20th, 1923.

The State, in order to obtain the necessary currency for paying its employees and meeting its day-to-day expenses, raised a loan with the local banks, industrialists, etc. of £200,000, which was covered mainly by the profit subsequently made on the minting of the new token currency.

The note circulation of the Danziger Zentralkasse A.G. and the pound cover for these notes were as follows:

End of	Zwischengulden in circulation	Cover in £'s: British notes and cheques	Cover in £'s: Balances with British banks	Total cover in gulden [2]
October 1923	5,975,000	12,000	226,000	5,950,000
November »	14,835,000	25,000	568,000	14,825,000
December »	17,884,000	19,000	696,000	17,875,000
January 1924	14,877,000	34,000	561,000	14,875,000
February »	14,009,000	41,000	519,000	14,000,000
March »	1,108,000	—	44,000	1,100,000

Currency reform of November 1923:

Although the Zwischengulden proved successful in providing temporarily a stable currency, and the transition to the stable currency was effected without difficulty owing largely to the fact that the population was already habituated to the gold accountancy system, the Danziger Zentralkasse, being unable to discount bills, could not alleviate the famine in liquid capital. The foundation of the new bank and the introduction of the final currency scheme remained, therefore, of urgent importance, and, by a series of laws passed on November 20th, 1923, the necessary measures were taken.

Before these laws could be passed, the Free City, as indicated above, had to come to an arrangement with Poland with reference to the Paris Treaty of 1920. An agreement, was actually reached and signed on September 22nd, 1923, and issued, together with the other constituent parts of the whole scheme of monetary reform, on November 20th, 1923. Under this agreement, it was guaranteed that the monetary reform should not in any way affect Article 36 of the Paris Treaty, the two parties formally binding themselves to open negotiations as soon as circumstances permitted with a view to the unification of their monetary systems.

It was further decided that the Polish banks having their headquarters at Danzig should be entitled to form part of the consortium to be entrusted with founding the Bank of Danzig, to which it was intended that the privilege of note issue should be granted. The participation of this group in the capital of this bank was fixed at 25 per cent, to be increased to 30 per cent in the event of the share of the foreign groups not exceeding 15 per cent.

In order to prevent the possession of acquired rights on the part of shareholders, making it more difficult to achieve unification as visualised in Article 36 of the Paris Treaty, clauses were to be inserted *(vide infra)* in the charter of the bank giving power to restrict or suppress the Free City's delegated right of issue.

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[1] A fuller statement of the various provisions of the law is given in the *Memorandum on Currency, 1913-1923*, page 98.

[2] Converted at the rate: £1 = 25 gulden.

By the first of the acts of November 20th, 1923, relating to the currency reform, the gulden and pfennig were established as the only media of exchange in the territory of the Free City. The most important articles of this law read as follows:

Article 1. — As from January 1st, 1924, the gulden and the pfennig will be the sole legal tender in the Free City of Danzig.

The new currency system (Gulden-Währung) is based upon the currency law and upon the law establishing a bank of issue with the privilege of note issue, both of which laws are attached hereto.

The Agreement concluded at Geneva on September 22nd, 1923, and published herewith between the Free City of Danzig and the Polish Republic, regarding currency reform in the Free City of Danzig, is ratified in accordance with the constitution.

Article 2. — All debts under private law expressed in mark, existing on January 1st, 1924, and payable in the territory of the Free City of Danzig, whether they are actual, conditional or deferred, may be paid in mark or in gulden as the debtor may select. The debtor shall inform the creditor of his decision not later than January 3rd, 1924. Where the debtor is a bank or savings bank, the period of grace shall be extended to January 4th, 1924. Where the declaration is made after this date, or is not made, debts in mark shall be paid in gulden.

The conversion of payments to be effected in gulden shall be carried out at a rate to be announced on January 2nd, 1924.

Notwithstanding the conversion provided for in paragraphs 1 and 2, the creditor may, until January 15th, 1924, notify the debtor, by registered letter, of the amount of compensation which he claims for the depreciation of the mark in respect of debts incurred prior to January 1st, 1922.

Except in the case provided for in paragraph 3, no compensation is payable in respect of the depreciation of the mark except compensation for loss occasioned by a delay in payment. After the date mentioned, no compensation may be claimed under paragraph 3.

If the claim provided for in paragraph 3 is put forward within the period allowed, the other party shall be entitled to take proceedings with a view to fixing the amount of compensation.

Article 5. — Should the application of the law establishing a bank of issue so require, media of payment belonging to the same class as those issued under the law of October 20th, 1923, establishing a stable unit of account may, by a decree of the Senate regulating the details of the operation, be placed or kept in circulation until April 30th, 1924, notwithstanding the provisions of Article 1, paragraph 2, of the Law establishing a bank of issue.

The Mint law of the same date lays down that the State shall have the right to mint:

(1) Gold coins of 25 gulden weighing 7.988 grammes, 7.322 grammes fine, *i.e.*, the same weight and fineness as the pound and shilling.

(2) Silver five-, two-, one- and half-gulden pieces. The five-gulden piece weighs 25 grammes, 18.75 fine, and the others in proportion.

(3) Nickel ten- and five-pfennig pieces, and

(4) Copper two- and one-pfennig pieces.

The total issue of silver coins is limited to thirty gulden, of nickel and copper coins to three gulden, per head of the population. Silver coins are legal tender up to a limit of sixty gulden, and nickel and copper coins up to three gulden.

The minting of copper, nickel and silver coins made it possible for the Free City to replace the Zwischengulden of small denominations by token money, and all such notes from one pfennig up to five gulden were recalled for redemption until March 2nd, 1924. Monthly circulation figures for the token coins are given below in the detailed statement showing total money circulation in the Free City.

The Bank of Danzig :

Under the terms of the Bank Law of November 20th, 1923, the Free City transferred its right of note issue to a bank to be founded at Danzig, under the title of the "Bank of Danzig", with a capital of 7,500,000 gulden, divided into 75,000 shares of 100 gulden each. Of the total capital, subscription for 5,400,000 gulden was made in Danzig and 2,100,000 by the Polish group. The Bank was to act as the Government's banker, the Government maintaining a certain control by nominating a Bank-Kommissar with the right to take part at all the meetings of the Boards of Management and Directors. The Government further appoints two members of the Board of Directors (*Bankausschuss*) to represent the note holders and the customers of the Bank. The three remaining members of that board represent the shareholders and are elected by the Supervisory Board (*Aufsichtsrat*), which in its turn is elected by the General Assembly of Shareholders. The Bank of Danzig was actually founded on February 5th, 1924, and opened its doors on March 17th.

The Bank is not limited only to acting as a banker's bank, as it is allowed to deal directly with the public without the intermediary of other banks, but it must not: (*a*) buy for its own account, discount or make advances against bills or securities *(Schuldverschreibungen)* of the Government, the municipalities or municipal associations of the Free City; (*b*) accept trade bills; (*c*) buy or sell on term, for its own account or for third parties, goods or stocks, or take guarantee in respect of such transactions.

Currency circulation and reserves:

The Bank obtained the right to issue notes to a limit of 100 gulden per head of the population against a cover of at least one-third in gold coin, notes of or immediately disposable balances with the Bank of England, the pound sterling being considered as equal to 25 gulden.

The remainder of the bank notes in circulation must be covered by discounted bills representing actual goods sold and maturing within not more than three months or by Danzig minted currency. Danzig minted currency is only to be used as cover, however, so long as the total circulation of silver money of the standard specified in the Currency Law does not exceed 30 gulden, and the total circulation of nickel and copper money does not exceed three gulden per head of the population domiciled in the territory of the State of Danzig.

If the circulation should exceed 100 gulden per head of the population, the excess must be fully covered by gold coin, or notes of the Bank of England, or sight claims thereon, and the Bank pay a tax of five per cent on its surplus issue.

The law on the privilege of note issue lays down the following measures for maintaining the exchange value of the gulden within fixed limits in relation to the pound sterling.

(1) On payment at its counter in Danzig of a minimum sum of 1,000 gulden in Danzig coins or bank notes, the Bank must deliver pound cheques upon its pay-office in London as long as the gulden are offered at a rate of not more than 19s. 10d. for every 25 gulden (*i.e.*, 25.21 gulden for £1).

(2) On payment of pounds sterling at its pay-office in London, the Bank must deliver gulden cheques upon its pay-office in Danzig for amounts of not less than 1,000 gulden at a rate of not more than £1 0s. 1d. for every 25 gulden (*i.e.*, 24.89 gulden for £1). Any duty or commission involved shall be paid by the customer.

The sight claims on the Bank of England, inclusive of notes, form the main part of the foreign balances shown in Group III (*b*) of Table 5 as follows:

End of	March 1924	June 1924	September 1924	December 1924
		Gulden (000's omitted).		
Balances with and notes of the Bank of England	14,624	15,428	12,184	18,277
Other exchange holdings	4,696	8,337	17,410	8,098
Total	19,320	23,765	29,594	26,375

The second item in the above statement, consisting of balances with foreign banks other than the Bank of England likewise represents stable currencies, the bank not being authorised to hold foreign balances in other currencies.

The circulation in the Free City of the various forms of stable currency from the end of October 1923 has been as follows:

End of	Zwischengulden of the Zentralkasse	Bank of Danzig notes	Silver, nickel and copper coins	Total
		Gulden (000's omitted)		
October 1923	5,975	—	—	5,975
November »	14,835	—	—	14,835
December »	17,884	—	1,425	19,309
January 1924	14,877	—	4,993	19,870
February »	14,009	—	7,867	21,876
March »	1,108	14,239	9,715	25,062
April »	—	17,366	8,889	26,255
May »	—	18,414	9,186	27,600
June »	—	21,007	8,056	29,063
July »	—	22,977	7,759	30,736
August »	—	25,305	7,802	33,107
September »	—	27,937	8,005	35,942
October »	—	27,060	7,866	34,926
November »	—	28,939	8,113	37,052
December »	—	31,912	8,113	40,025

In addition to the above monies, there was in circulation a steadily diminishing amount of foreign bank notes. The exact figure of this additional currency on the various dates is not known, but towards the end of 1924 the foreign notes disappeared from circulation.

The Danziger Zentralkasse A. G. was closed on March 31st, 1924, when only a fraction of its former issues were outstanding. By that time, as mentioned above, all Zwischengulden of small denominations (up to and including 5 gulden) had been withdrawn and replaced by token money. The period of redemption of the remaining notes was extended, for the 100-gulden notes up to April 12th, and for the 10-, 25- and 50-gulden notes up to May 1st, 1924.

Should the Senate decide to cancel the right of the Bank of Danzig to issue notes, it is under an obligation to give one year's notice and to make an offer of compensation to the shareholders; this compensation, if it is not accepted by two-thirds of the general meeting of the Bank, must be determined in the following manner: If the privilege is completely suppressed, the indemnity shall be 50 per cent of the nominal value of the shares, granted that that suppression takes place during the year 1925. In the event of it taking place later, the percentage shall be reduced by two for each year up to 1946 and by one for each subsequent year. If the right of issue is restricted, the amount of the compensation indicated above shall be diminished on the basis of the ratio which the restricted issue bears to the original issue allowed.

Table 6. **DENMARK**

ACCOUNTS	July 1914	July 1919
ASSETS.		
I. Metallic Reserve at home	84.6	190.2
(*a*) Gold	78.5	187.4
(*b*) Silver and Token coins	6.1	2.8
II. Other items of a Reserve or Cash Nature	0.2	0.1
III. Assets in and Claims on Foreign Countries	14.2	71.3
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	14.2	71.3
IV. Commercial Bills	66.9	81.3
(*a*) Inland	59.4	73.8
(*b*) Foreign	7.5	7.5
V. Securities and Investments	12.7	49.0
(*a*) Government	1.9	32.6
(*b*) Other	10.8	16.4
VI. Loans and Advances	17.5	136.3
(*a*) to the Government	—	82.5
(*b*) on Government securities	17.5	53.8
(*c*) Other		
VII. Sundries (including Premises, etc.)	27.9	81.0
VIII. Total Assets	**224.0**	**609.2**
LIABILITIES.		
IX. Capital	27.0	27.0
X. Reserve Funds	9.4	20.5
XI. Profit and Loss and Dividends Accounts, etc.	3.2	12.2
XII. Notes in circulation	156.5	428.6
XIII. Post Bills, Cheques, etc., in circulation	—	0.1
XIV. Current Accounts	23.5	115.6
(*a*) Government	—	0.1
(*b*) Other	23.5	115.5
XV. Other Deposits	3.6	3.2
(*a*) Government	3.6	3.1
(*b*) Other	—	0.1
XVI. Sundries (including Pension Funds)	0.8	2.0
XVII. Total Liabilities	**224.0**	**609.2**

DENMARK

Table 6.

THE NATIONAL BANK IN COPENHAGEN

Position in Kroner (000,000's omitted) at the end of

July 1920	July 1921	July 1922	July 1923	July 1924	Sept. 1924	Dec. 1924	March 1925
230.4	231.3	232.2	214.4	228.1	231.2	230.3	227.3
227.8	227.6	228.3	209.7	209.6	209.5	209.5	209.5
2.6	3.7	3.9	14.7	18.5	21.7	20.8	17.8
—	—	—	—	—	—	—	—
64.6	51.9	28.4	24.3	21.4	40.9	48.6	41.1
—	—	—	—	—	—	—	—
64.6	51.9	28.4	24.3	21.4	40.9	48.6	41.1
198.7	124.0	188.7	170.8	260.9	226.9	187.2	202.8
198.0	122.2	185.7	169.1	260.8	226.5	186.9	202.2
0.7	1.8	3.0	1.7	0.1	0.4	0.3	0.6
52.3	51.5	24.4	21.8	11.9	8.8	8.7	8.6
36.7	35.8	5.3	2.3	2.0	2.8	2.7	2.6
15.6	15.7	19.1	19.5	9.9	6.0	6.0	6.0
146.0	161.7	177.3	141.3	165.4	167.4	203.2	148.1
75.6	60.7	0.6	40.7	53.0	70.0	61.5	37.2
70.4	101.0	176.7	100.6	112.4	97.4	141.7	110.9
19.1	22.1	40.9	38.4	53.8	86.5	77.6	74.2
711.1	**642.5**	**691.9**	**611.0**	**741.5**	**761.7**	**755.6**	**702.1**
27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
27.0	38.4	47.2	42.0	39.3	39.3	37.2	37.2
10.4	11.3	4.2	—	—	—	—	—
541.2	481.6	432.3	447 3	470.3	472.7	478.3	452.3
0.2	0.5	0.6	0 2	0.2	—	—	—
100.7	77.3	173.7	57.7	97.3	63.0	97.1	89.9
52.6	0.3	26.5	3.6	0.2	1.1	0.7	3.7
48.1	77.0	147.2	54.1	97.1	61.9	96.4	86.2
3.1	2.9	2.8	2.7	2.6	2.5	2.6	2.5
3.0	2.8	2.7	2.6	2.5	2.4	2.4	2.4
0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
1.5	3.5	4.1	34.1	104.8	157.2	113.4	93.2
711.1	**642.5**	**691.9**	**611.0**	**741.5**	**761.7**	**755.6**	**702.1**

DENMARK.

NOTES.

Tables III, IV and V (Vol. I) refer to the end of calendar years and the above Table 6, apart from the quarterly columns, to the end of July each year, on which date the financial year of the Bank is closed.

Metallic reserve and new coinage:

In July 1923, the gold reserve of the National Bank was reduced by 18 million kroner as a result of shipments of gold to the United States and the United Kingdom with the object of supporting the exchange. The effect of this operation may be judged from the movements in the rate of exchange shown in Table I (Vol. I). Up to the end of March 1925, no further gold shipments had been made.

In accordance with the amendment to the Scandinavian Monetary Convention agreed upon at the Inter-Scandinavian Coinage Conferences held in Oslo and Stockholm in the autumn of 1923 (see notes on NORWAY), a bill was passed by the Rigsdag in the spring of 1924 authorising the Minister of Finance to mint new small coins for circulation within the country only and to withdraw from circulation the old coins minted under that Convention. The new coins, the minting of which began later in the year, are in denominations of two kroner, one krone and fifty øre (made of an alloy of copper, nickel and aluminium), twenty and ten øre (alloy of copper and nickel), and five, two and one øre (alloy of copper, tin and zinc). The same Act approved an agreement between the National Bank and the Swedish Riksbank according to which the redemption of the Danish divisionary coins held by the Swedish Riksbank and, after October 6th, 1924, redeemed by it in Swedish coins (see notes on SWEDEN) may be effected in Danish State bonds made out in Swedish kronor and bearing interest at 4½ per cent. The profit accruing to the State from the new coinage is earmarked for the redemption of the bonds which fall due on January 2nd, 1929.

Exchange policy:

In July 1923, the National Bank organised a conference of representatives of agriculture, commerce, industry, banking and economic science to consider what measures could be adopted to prevent further exchange depreciation. After two months' deliberations this conference presented a report proposing the establishment of an "Exchange Equalisation Fund" — a proposal which was incorporated in a law dated November 16th, 1923. In accordance with the terms of this law, the Government and the National Bank raised a British-American credit of a value of 5 million pounds sterling, the leading commercial banks being interested in this credit by guaranteeing an aggregate amount corresponding to $3^1/_4$ million kroner. The fund was to remain in operation for two years unless special legislation was passed prolonging the period of its operation [1].

The establishment of the Equalisation Fund had as immediate effect an improvement of the Danish exchange from 26.50 to 24.50 kroner to the pound, the latter rate being chosen as the level of stabilisation But it was found impossible to maintain that rate, and it was abandoned on January 19th, 1924, the foreign credit having been drawn upon too heavily. The attempts to stabilise the exchange were temporarily abandoned, and the sterling rate was allowed to rise above 27 kroner. In order to influence the exchange, however, the National Bank simultaneously raised the discount rate from 6 to 7 per cent, and in the beginning of March it announced, in a circular letter to the other credit institutions of the country, its intention to apply a system of "reasonable" credit restrictions, requesting these institutions to follow its example in order to enable it to limit the note circulation.

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[1] Details concerning the administration of the fund and the provisions for the division of the ultimate liability (Sections 8 and 9 of the law) are given on page 101 in *Memorandum on Currency* 1913-1923.

By a law of February 1st, 1924, the import duties on a number of luxury goods were increased with a view to improving the trade balance. Moreover, at the beginning of March, the Government submitted to Parliament various proposals for the improvement and stabilisation of the Danish krone; one of these, providing for the establishment of a Central Exchange Committee *(Valutacentral)* to surpervise dealings in foreign currency, was embodied in a law dated March 29th, 1924, to remain in force until March 31st, 1925.

The function of this institution is to "follow the development of the exchange market and, if deemed necessary, to make recommendations to the Minister of Commerce as to such measures as may be considered likely to improve the value of the Danish krone". Purchase and sale of foreign currency may only be made through the Equalisation Fund, the National Bank, the four leading banks in Copenhagen and such other banks and brokers as are authorised by the Central Exchange Committee. Regulations were issued requiring all persons possessing foreign exchange of not less than the equivalent of 5,000 kroner (at the rate of March 31st) to supply the Exchange Committee with information concerning their holdings at home and abroad. The Exchange Committee may request that any such holdings obtained after January 1st, 1924, should be delivered to the Equalisation Fund "unless there is proof that the foreign exchange is required to be used in paying for imported goods within a period of three months or in meeting ordinary business obligations".

There resulted a slight improvement in the exchanges, and from May 10th the National Bank and the Equalisation Fund again tried to stabilise at 25.65 kroner to the pound. But by the end of June the exchange holdings of the Bank and of the Equalisation Fund were exhausted, and the sterling rate again rose above 27 in July and in August above 28.

At the end of June, the National Bank raised on its own account a dollar credit of 5 million dollars to meet the service of the foreign loans of the State and the municipalities. In its report for July 31st, 1924, this loan is shown under "sundry liabilities" at 31.7 million kroner.

By an amendment of June 28th, 1924, to the law of March 29th establishing the Central Exchange Committee, certain provisions of that law were further strengthened for a period of four months, later extended by another two months up to December 31st, 1924, in order to give the Committee a firmer hold of the exchange market.

On July 17th, the Minister of Commerce convened a new exchange conference *(Valutaraad)* of representatives of the economic interests and of the political parties to re-discuss the currency and exchange problem. The proceedings of this conference were closed on November 5th, and a resolution was passed opposing the definitive devaluation of the krone proposed in some quarters and recommending a moderate deflation in connection with the repayment of the Government debt to the National Bank.

These recommendations were embodied in a Government bill which was passed by Parliament on December 20th. The final agreement between the Government and the National Bank was reached on January 12th, 1925. Under the new arrangement the Bank's monopoly of note issue and the exemption from the gold redemption obligation are extended to the end of 1926, but on the condition that the Bank should "sell dollars, at the maximum prices fixed by the law, for the purpose of paying for imports of goods, or for other purposes which the Bank, in agreement with the Central Exchange Committee, does not consider injurious to the economic position of the country". The maximum dollar rates which the National Bank is bound to maintain under the law of December 20th are: Kr. 5.74 to $1 for the first half-year 1925; Kr. 5.60 for the second half-year 1925; Kr. 5.46 for the first half-year 1926; and Kr. 5.32 for the second half-year 1926. The Bank thus has undertaken to raise the gold value of the krone from 65 to 70 gold øre in a period of two years.

The law provides for the appointment of a special Exchange Committee of the Parliament consisting of fifteen members. In agreement with that Committee, the Minister for Industry, Trade and Shipping may authorise certain temporary modifications in the above maximum rates should special conditions make it necessary; but in no case should the dollar rate be allowed to exceed Kr. 5.74 during the period covered by the law.

With a view to assisting the National Bank in improving the value of the krone, the State undertakes:

1. To make it possible to reduce the note circulation by redeeming its debt of 40 million kroner to the Bank, by means of: (*a*) an extraordinary addition to the income tax equivalent to *one-eighth* of the ordinary income tax for the financial years 1924-25 and 1925-26, and estimated to produce 20 million kroner; and (*b*) an extraordinary indirect taxation for the same period represented by certain additions to the tax on "luxury" beer, wine, etc., a 100 per cent increase in the Customs duty on furs, a 10 per cent increase in the Customs duty on silks and a special turnover tax on the sales of motor vehicles, estimated to produce together the remaining 20 million kroner.
2. To guarantee a cash credit of $40 millions to be negotiated by the National Bank for utilisation in connection with its efforts to raise the value of the krone.

This credit, which was arranged with the National City Bank of New York in the first half of January, may only be utilised by the National Bank in consultation with and to the extent authorised by the Minister of Finance and the parliamentary Exchange Committee mentioned above.

The Central Exchange Committee, the mandate of which is extended by the law up to the end of, 1926, will collaborate with the National Bank in its exchange policy.

Apart from the above scheme, the Mortgage Bank of Denmark, in the beginning of February 1925 contracted a loan in the United States of $5 millions, repayable in 40 years.

Loans and advances of the National Bank [1]:

There were no advances to the Government outstanding at the end of the financial year 1913-14. The advances to the Government at the end of each July 1919-1924 were composed as follows:

	Kroner (000,000's omitted)					
End of July:	1919	1920	1921	1922	1923	1924
Overdrafts on the account of the Treasury	82.–	75.6	60.7	—	—	11.7
Advances to other Government institutions	0.5	—	—	0.6	0.7	1.3
Loan to the Treasury against preference shares in the Landmandsbank	—	—	—	—	40.–	40.–
Total	82.5	75.6	60.7	0.6	40.7	53.0

The third item above (40 million kroner) represents the Government's contribution (financed by the National Bank) to the fresh capital supplied to the Landmandsbank in September 1922 [2]. As already mentioned, this State debt will be repaid in the course of the years 1925 and 1926 from the proceeds of the extraordinary taxation to be levied for that purpose. Moreover, as regards the first item, the last exchange conference thought it advisable for the State to discontinue the practice of overdrawing the Treasury's account with the National Bank and recommended the introduction of a Treasury bill system for covering temporary deficiencies by short-term borrowing in the open market. In accordance with this recommendation, Article 6 of the law of December 20th, 1924, authorises the Minister of Finance to issue 3- or 6-months Treasury bills within the limit of the revenue provided for in the budget. The aggregate amount of Treasury bills in circulation, however, must not at any time exceed 50 million kroner. According to Article 11 of the Convention between the Government and the National Bank, the overdrafts on the Treasury's account are to be reduced as much as possible by selling Treasury bills under the new law. This does not, however, concern certain advances granted to the Government for the purpose of paying for the silver coins received from Sweden. These advances, which at the end of July 1924 amounted to 13.7 million kroner, are deducted in the above statement and included in Group VII of Table 6.

None of the above items is shown separately in the monthly returns but they are included, together with certain other items, in the unspecified account "sundry debtors". For the purpose of the present MEMORANDUM, however, the Bank has supplied separate figures inserted in the quarterly statements in Table 6. It will be noted from the table that, by the end of March 1925, the Government had repaid all overdrafts with the exception as mentioned above and, in addition, part of the debt incurred for the account of the Landmandsbank.

The other loans and advances — group VI (*b*) and (*c*) — were composed as follows:

	Kroner (000,000's omitted)									
End of:	July 1914	July 1919	July 1920	July 1921	July 1922	July 1923	July 1924	Sep. 1924	Dec. 1924	Mar. 1925
Advances on Stock Exchange securities	10.6	25.7	43.9	68.7	87.3	51.5	56.4	60.5	60.9	30.7
Advances on current account	—	—	—	—	57.7	27.3	29.4	17.3	51.7	44.9
State revenues with private banks	—	18.7	17.7	25.7	25.4	16.4	21.5	14.4	24.0	28.4
Mortgage loans and advances on security of mortgage bonds	3.3	1.7	1.7	1.7	2.6	2.8	2.7	2.8	2.7	4.5
Municipal railway loans	3.6	7.7	7.1	4.9	3.7	2.6	2.4	2.4	2.4	2.4
Total	17.5	53.8	70.4	101.0	176.7	100.6	112.4	97.4	141.7	110.9

[1] It will be noted that certain discrepancies with regard to the loans and advances which exist between the present issue and the last issue of the *Memorandum on Central Banks* are due, mainly, to a different treatment of the State indebtedness on account of the Landmandsbank.

[2] On the same occasion, the National Bank advanced 30 million kroner directly to the Landmandsbank as a new reserve fund. This advance, counterbalanced on the liabilities side of the balance-sheet by an equal sum under the heading: "For writing off the assets of the Bank", is included in group VII of Table 6.

The "advances on current account" represent mainly assistance to various private banks on account of the credit crises, apart from the 70 million kroner for new capital and reserve fund of the Landmandsbank mentioned above. The "State revenues with private banks" are sums which will be paid into the Treasury's account at the National Bank but which the private banks are allowed to keep temporarily as working capital. As the National Bank acts as the cashier of the State, these monies, from the point of view of that Bank, represent loans to the private banks and have been treated as such in the table.

Note circulation:

The only legal regulation governing the note issue of the Bank is that the gold reserve should equal at least one-third of the notes in circulation.

The success of the Bank's endeavours to limit the note circulation by restricting credits may be judged from the following statement, giving monthly figures for note circulation and current account deposits on the one hand and discounts, loans and advances on the other:

End of	Kroner (000,000's omitted)					
	Note circulation	Deposits	Total	Discounts	Loans and advances [1]	Total
January 1924	446	79	525	230	192	422
February »	450	82	532	247	186	433
March »	463	73	536	236	180	416
April »	469	62	531	238	180	418
May »	481	69	550	255	164	419
June »	477	78	555	240	198	438
July »	470	87	554	261	165	426
August »	471	84	555	277	148	425
September »	473	70	543	227	167	394
October »	495	76	571	250	179	421
November »	479	72	551	231	178	409
December »	478	82	560	187	203	390
January 1925	456	67	523	214	181	395
February »	453	64	517	215	173	388
March »	452	46	498	202	156	358

The fluctuations in the loans and advances reflect in the main the movements of the Treasury's account with the Bank.

[1] Including the loan to the State for the account of the Landmandsbank and the overdrafts of the Treasury excepting those used for paying for the silver coins received from Sweden.

Table 7

ESTHONIA

ACCOUNTS	BANK Position in Emk.	
	1921	1922
ASSETS.		
I. Metallic Reserve at home	—	—
(*a*) Gold	—	—
(*b*) Silver and Token coins	—	—
II. Other items of a Reserve or Cash nature	101.5	417.0
III. Assets in and Claims on Foreign Countries	285.5	980.4
(*a*) Gold Deposits abroad	39.6	620.1
(*b*) Book Balances and Credits abroad	245.9	360.3
IV. Commercial Bills	287.8	896.2
(*a*) Inland	283.6	859.9
(*b*) Foreign	4.2	36.3
V. Securities and Investments	7.1	45.1
(*a*) Government	7.1	45.1
(*b*) Other	—	—
VI. Loans and Advances	1,116.0	2,088.2
(*a*) to the Government	—	—
(*b*) on Government securities	—	—
(*c*) Other	1,116.0	2,088.2
VII. Sundries (including Premises, etc.)	19.6	13.4
VIII. Total Assets	**1,817.5**	**4,440.3**
LIABILITIES.		
IX. Capital	250.0	250.0
X. Reserve Funds	10.7	37.8
XI. Profit and Loss and Dividends Accounts	135.5	172.6
XII. Notes in circulation	300.0	1,209.4
XIII. Post Bills, Cheques, etc., in circulation	2.4	20.7
XIV. Current Accounts	1,053.6	2,625.3
(*a*) Government	728.4	1,763.4
(*b*) Other	325.2	861.9
XV. Other Deposits	50.2	92.0
(*a*) Government	—	—
(*b*) Other	50.2	92.0
XVI. Sundries	15.1	32.5
XVII. Total Liabilities	**1,817.5**	**4,440.3**

Table 7

ESTHONIA

OF ESTHONIA

(000,000's omitted) at the end of

1923	March 1924	June 1924	September 1924	December 1924
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
600.3	309.0	729.8	664.7	296.4
676.4	607.4	441.8	758.3	964.9
—	369.1	378.6	538.5	532.5
676.4	238.3	63.2	219.8	432.4
1,739.9	1,813.4	2,107.6	1,861.1	1,755.5
1,650.9	1,667.2	1,832.7	1,617.4	1,465.5
89.0	146.2	274.9	243.7	290.0
60.6	74.7	78.6	89.2	85.6
60.6	74.7	78.6	89.2	85.6
—	—	—	—	—
3,056.0	3,169.0	3,142.2	3,173.5	3,414.3
—	—	—	—	—
—	—	—	—	—
3,056.0	3,169.0	3,142.2	3,173.5	3,414.3
52.3	133.8	207.7	360.6	197.5
6,185.5	**6,107.3**	**6,707.7**	**6,907.4**	**6,714.2**
250.0	250.0	250.0	250.0	250.0
75.0	75.0	75.0	146.4	234.7
238.1	238.1	238.1	—	256.9
1,785.2	1,709.8	1,696.9	1,682.2	1,815.3
15.6	11.2	17.0	22.7	26.5
3,601.1	3,530.3	3,980.5	4,251.1	3,877.4
2,779.8	2,695.7	2,539.3	2,924.1	2,708.3
821.3	834.6	1,441.2	1,327.0	1,169.1
138.3	103.3	87.4	115.0	117.8
—	—	—	—	—
138.3	103.3	87.4	115.0	117.8
82.2	189.6	362.8	440.0	135.6
6,185.5	**6,107.3**	**6,707.7**	**6,907.4**	**6,714.2**

ESTHONIA

Notes.

The Bank of Esthonia, established in February 1919, has the legal status of a private joint-stock company. In fact, however, it is a pure State institution, all the shares being in the hands of the Government. According to an amendment to the original regulations, "the Government of the Republic acts in the capacity of the general assembly of shareholders as long as the shares have not changed hands". The Board of Directors and the Management, therefore, are appointed by the Government. The Bank started the issue of notes in March 1921. But it is mainly a commercial bank, the most important in the country, and directly finances industry, trade and agriculture. A reorganisation of the Bank with a view to separating the central banking functions proper, and more especially the note issue and the management of the currency reserves, from the long-term credit operations and to making it independent of the Government is now under official consideration in connection with the proposed currency reform.

Metallic and foreign exchange reserves—Exchange policy:

As the Esthonian authorities have not published any exact information concerning the gold reserves of the country, Esthonia is not included in Table IV (Vol. I). The Bank of Esthonia did not show separately any portion of its gold holdings until the end of March 1924, when a new item, "gold abroad", was introduced in its balance-sheet. This item, given under III (*a*) in Table 7 above, represents actual gold at the free disposal of the Bank. This gold was originally received from the Esthonian Treasury. Up to November 1923, the balance-sheet contained a similar item — "deposits in foreign banks" — which, although it is not stated in the reports of the Bank, likewise represented gold deposited abroad for the account of the Treasury. This gold, shown at a value of Emk. 620 millions at the end of 1922, was sold in the course of 1923, for reasons explained below, with the result that no gold remained at the disposal of the Bank on December 31st of that year. The Bank does not make any discrimination in principle between gold and stable foreign exchange. The foreign bills in its possession are shown separately under IV (*b*) in Table 7. The amounts given in group III (*b*) of the table were composed as follows:

Emk. (000,000's omitted).

End of :	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
"Cash in foreign currency"	81.9	96.9	362.1	39.9	19.1	77.3	65.2
"Foreign correspondents' accounts — Nostro"	164.–	263.4	314.3	198.4	44.1	142.5	367.2
	245.9	360.3	676.4	238.3	63.2	219.8	432.4

The Bank's net reserve in gold and foreign exchange — *i.e.* the total of the gold deposits abroad, the foreign bills and the other foreign assets shown above *less* sums due to correspondents abroad (see statement below on page 50) — compared with the net reserve of the Treasury at the end of 1921 and 1922 and the various quarters of 1923 and 1924 was as follows:

Emk. (000,000's omitted).

End of :	Net reserves in gold and foreign currency			Gold and foreign currency advanced by the Treasury to the Bank of Esthonia
	Treasury	Bank of Esthonia	Total	
1921	2,444.8	284.9	2,729.7	110.9
1922	1,352.1	824.6	2,176.9	1,109.9
March 1923	1,359.–	946.9	2,305.9	1,067.8
June »	1,248.6	515.1	1,763.7	1,202.–
September »	1,159.8	70.3	1,230.1	1,278.3
December »	895.7	731.1	1,626.8	1,743.6
March 1924	966.4	722.1	1,688.5	1,791.9
June »	868.1	329.3	1,197.4	1,777.8
September »	503.8	513.9	1,027.7	2,144.–
December »	506.–	1,254.3	1,760.3	2,150.–

No details have been published in recent years showing the exact composition of the reserve of the Treasury. It is known, however, that it originally consisted mainly of 15 million gold roubles received from the Russian Communist Government under the Treaty of Dorpat. At the end of 1921 the position of the Treasury's reserve was the following:

			Emk. (000,000's *omitted*).	
Gold:				
Russian roubles	11,464,625	at	185.–	2,120.9
Foreign bank notes:				
English £	160,975	»	1,535.–	247.1
American $	217,033	»	368.–	79.9
French francs	1,577,125	»	29.25	46.1
Various monies	—		—	61.7
Total				2,555.7
Less sums advanced to the Bank				110.9
Remaining net reserve .				2,444.8

The gold advanced to the Bank was calculated in the Bank's balance-sheet at a conventional rate[1] considerably lower than the rates of conversion shown in the first part of the above statement, so that the actual net reserve of the Treasury at the end of 1921 was some hundred million Emk. less. For subsequent dates it has been possible to make the necessary corrections in the conversion rates for the amounts advanced to the Bank in order to arrive at true net figures for the reserve of the Treasury.

The diminution of the reserve in 1922-1924 was mainly due to these advances to the Bank, in the form of special deposits of gold and foreign currency repayable in the original currency. These funds were used largely by the Bank for making advances in foreign currency, the greater part of which advances, however, have not been repaid in such currency. Another portion of these funds was sold directly against notes for use in payment for imported goods or to support the exchange. The claims arising from the advances in foreign currency, included in the Bank's balance-sheets partly in the "advances on current account" and partly in the "correspondents' accounts—Loro", have been excluded when calculating the net reserve of the Bank, as they do not represent liquid foreign assets.

The Bank's reserve reached its maximum at the end of March 1923; but, on account of the heavy deficit in the trade and foreign payments balance, largely due to the bad harvest in 1923, it was practically exhausted by the end of November of that year in spite of considerable advances from the Treasury reserve. During that period the total net reserve was reduced by more than Emk. 1,100 millions, while the exchange was kept comparatively stable. In December, however, the dollar rate rose suddenly from about 350 to 389. With a view to enabling the Bank to check this rise in the exchange, gold and foreign currency to the value of about Emk. 400 millions were handed over to it from the Treasury.

In spite of this and other attempts to keep the exchange stable (which attempts were supported in the beginning of 1924 by a temporary improvement in the reserve position in connection with the seasonal movement in the exports), the dollar rate rose to 460 in August of that year. In the following months, however, as a result of increased discount rates (June), heavy import duties (July) and a better harvest, the trade balance improved, the exchange reserve of the Bank more than doubled, and the dollar rate went down gradually to 375, corresponding to the rate of Emk. 100 to the gold Kroon (equal to the Swedish krona) introduced as unit of account in the summer. The aim of the exchange policy of the Bank is to maintain the rate at that level pending the realisation of a definitive currency reform.

The reserve of about Emk. 500 millions remaining at the free disposal of the Treasury at the end of 1924 consisted exclusively of gold. According to a proposal submitted to Parliament in January 1925, this reserve is to be transferred to the Bank of Esthonia as a special deposit (not in the form of an advance as previously) to be shown under the assets as well as the liabilities of the Bank. At the same time and pending the final reform, the amount of the State note circulation is to be fixed and a minimum cover in gold and foreign exchange net reserves of 30 per cent of total net circulation to be stipulated.

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[1] This was done up to the end of 1923, which explains the considerable discrepancy at the end of 1922 between the figure for the value in Emk. of the Treasury's advances to the Bank as calculated by the Treasury (on the basis of the actual rate at that time) and that applied by the Bank when drawing up its balance-sheet (see statement below on page 50). The minor discrepancies on later dates are likewise due to somewhat different rates of conversion.

The law introducing the gold unit of accountancy (June 20th, 1924) contains the following provisions:

Article 1. — The gold unit of the Esthonian Republic fixed by the present law is the "kroon", containing 0.403226 grammes of pure gold.

Article 2. — Pending the putting into circulation of gold coins, agreements to be carried out within the boundaries of the Esthonian Republic may be concluded and obligations undertaken in kroons by mutual consent.

Article 3. — All payments, including those ordered by the law courts, bearing on agreements and obligations made in kroons, as well as stamp and other duties on such agreements, are to be made in Emk. (in Esthonian Treasury notes or Esthonian bank notes) according to the rate of exchange of the kroon on the date of payment.

The kroon is quoted on the Tallinn Bourse according to the price of gold on the world market.

Article 4. — Mortgages registered in Emk. become valid in terms of kroons without the consent of the subsequent mortgagers, after corresponding notice has been given at the Registrar's Office, but the equivalent in kroons must not exceed one-hundredth part of its value in Emk.

This paragraph does not apply to the mortgages issued in Russian roubles, "Ost-Roubles" and German marks, foreign currencies, or in a certain ratio to foreign currencies.

Article 5. — The Government of the Republic is authorised to issue directions and regulations for putting the present law into operation.

The above regulations have become of practical importance only in the case of mortgage contracts. But, as already mentioned, the exchange was stabilised by the end of the year at the rate of Emk. 100 to the gold kroon. The future gold unit, however, is not considered as definitely fixed by the above law.

Under a law of August 12th, 1921, certain amounts of divisionary coins of Emk. 1, 3 and 5 have been minted. The circulation of such coins was: Emk. 55.8 millions at the end of 1922; Emk. 50.9 millions at the end of 1923; and Emk. 127.1 millions on November 1st, 1924.

Investments, loans and advances of the Central Bank:

The Government securities held by the Bank of Esthonia and shown in group V (*a*) of Table 7 are short-term Treasury bonds dating from 1918 and 1919, part of which temporarily served as emergency currency. By the end of 1924 almost all the bonds outstanding were held by the Bank.

The Government has not had recourse to the Bank for any advances. In recent years no issues of Treasury bills have been made. Certain advances have been given by the Bank to the independent State undertakings. These advances, which are quite insignificant, are not shown separately in the balance-sheets.

The sums shown in Group VI of Table 7 were composed as follows:

Emk. (000,000's omitted).

End of:	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Loans and advances . .	1,071.9	1,950.3	2,783.9	2,897.1	2,946.2	2,983.9	3,285.4
Correspondents' accounts.							
Loro in foreign currency	—	118.5	260.4	262.7	192.2	187.7	128.1
Other accounts	44.1	19.4	11.7	9.2	3.8	1.9	0.8
Total . .	1,116.–	2,088.2	3,056.–	3,169.–	3,142.2	3,173.5	3,414.3

At the end of 1924, the discounts and advances to banks represented only about 13 per cent of the total discounts, loans and advances. Of the remainder, more than one-half was granted directly to industrial enterprises and the rest to commercial enterprises, co-operative societies, agriculture, municipalities and private persons.

A very considerable portion of these credits, and more especially of the industrial and agricultural credits, was not liquid in 1924.

Note circulation:

The first currency issued by the Esthonian Government consisted of 5 per cent short-termed bonds of the Republic in denominations of 50, 100, 200, 500, 1,000, 5,000 and 10,000 Esthonian marks (official abbreviation: "Emk."), which were put into circulation in accordance with a Decree dated November 23rd, 1918.

At this time, various forms of German marks, "Ost-roubles" and Russian roubles of small denomination were in circulation, the larger denominations of Russian rouble notes having ceased to be legal tender since the end of the previous July. On April 10th, Finnish notes were also put into circulation, Finland having granted a loan to Esthonia, which was at the moment at war with the Bolshevists and required immediate cash.

The total quantity of 5 per cent bonds issued amounted to about Emk. 250 millions. At the beginning of 1919, however, they were replaced, except the smaller denominations, by State notes *(Kassenscheine)* introduced by a Decree dated December 9th, 1918, and likewise issued by the Treasury. The rate of exchange for the various forms of internal currency was fixed at 1 Esthonian mark = 1 Ostmark = 50 Ostkopeken = 1 German mark (and, after April 10th) = 1 Finnish mark.

By a Decree dated May 2nd, 1919, the State notes were made the only unlimited legal tender, although Russian and Ost rouble small-token notes were still allowed to circulate. The exchange of the various other existing paper currencies into Treasury notes had to be effected before May 20th, 1919. Finally, the small-token notes were deprived of their privileges at the beginning of 1920.

Since the end of 1921, the State note circulation as shown in Table III (Vol. I) is calculated by deducting the amount of such notes held by the Bank of Esthonia as legal cover for its own notes. The State notes are legally guaranteed by the revenue and property of the State but have no specific cover. The Government reserve of gold and foreign bank notes is considered as an additional guarantee, but it is not legally assigned for that purpose. In 1921 Parliament fixed a maximum limit of Emk. 3,200 millions for the issue of State notes.

Under its statutes, the Bank of Esthonia has the exclusive right of issuing *bank* notes. These are not legal tender but are convertible without restrictions into State notes on demand. As already mentioned, the Bank started to issue notes in 1921. In conformity with a view that the note issue should be based primarily on the commercial operations of the Bank, the Bank Act attaches the greatest importance to the " commercial " cover for the bank notes, which must be covered:

(*a*) To the extent of not less than 50 per cent by domestic discounts and loans and advances against security;
(*b*) To the extent of not less than 10 per cent by State notes, these being legal tender in which the bank notes are freely convertible; the remainder to be covered by:
(*c*) Foreign exchange net balances, gold, silver and platinum;
(*d*) Other assets of the Bank, including Government securities and obligations.

Independently of the above regulations, however, a maximum limit of Emk. 2,400 millions has been fixed for the issue of bank notes. At the end of 1924, 2,250 millions were issued, of which 434.7 millions were withheld as a cash reserve by the Bank (deducted when calculating the circulation figure).

As will be noted from Table III (Vol. I), the circulation of State notes showed an almost uninterrupted decrease from the middle of 1922 to the middle of 1924. Up to the end of April 1923 this reduction was more than outweighed by a corresponding increase in the bank-note circulation, whereas, during the remaining part of the period mentioned, total net circulation was reduced by almost one milliard Emk. The reduction in the State note circulation was due to redemption of the notes by means of the considerable surpluses with which the budgets for 1922 and 1923 were closed. The fact that the Treasury notes withdrawn in the second half-year 1923 and the first half-year 1924 were not replaced by new issues of bank notes, although there was no fall in prices, was probably due to the poor harvest in 1923.

The transfer of the currency reserve and the note issue of the Treasury to the Bank of Esthonia was contemplated in 1923, and a scheme elaborated to fix the value of the mark at the rate: Emk. 100 = 1½ gold francs. The events of 1924, however, prevented the realisation of these plans, and the final currency reform has been postponed for the time being. Pending that reform, however, the Government has proposed certain provisional measures described above on page 47.

Deposits of the Central Bank:

The Government deposits shown in Group XIV (*a*) of Table 7 were composed as follows:

Emk. (000,000's omitted)

End of :	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Current accounts of the Treasury . . .	617.5	1,485.1	342.7	274.6	154.6	199.8	114.2
Deposits of the Treasury in foreign currency	[1] 110.9	[1] 278.3	1,757.7	1,767.4	1,751.4	2,108.1	2,183.4
Current accounts of other Government institutions	?	?	679.4	653.7	633.3	616.2	410.7
	728.4	1,763.4	2,779.8	2,695.7	2,539.3	2,924.1	2,708.3

[1] See note on page 47.

For details as to the deposits in foreign currency, see page 46 above. The current accounts of the Government institutions other than the Treasury on December 31st, 1921, and 1922 are included under XIV (*b*) in the table. There is no information available as to their amount, but they constituted probably the main part of the " private " current accounts in the statement below showing the detailed composition of group XIV (*b*) of the table:

Emk. (000,000's omitted).

End of:	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Private current accounts	261.4	595.–	743.8	719.4	962.2	723.3	956.6
" Foreign Correspondents' accounts — Nostro "	4.8	192.1	34.3	31.5	387.4	488.1	0.6
Correspondents' accounts:							
Loro in foreign currency	59.–	64.5	33.4	72.4	70.5	106.8	204.1
Other accounts		10.3	9.8	11.3	21.1	8.8	7.8
	325.2	861.9	821.3	834.6	1,441.2	1,327.–	1,169.1

The other deposits shown in group XV of the table consist mainly of time and savings deposits.

FINLAND

Table 8.

FINLAND

ACCOUNTS	BANK Position in Markka	
	1913	1918
ASSETS.		
I. Metallic Reserve at home	38.3	43.2
(*a*) Gold	36.1	42.7
(*b*) Silver and Token coins	2.2	0.5
II. Other items of a Reserve or Cash nature	1.4	0.2
III. Assets in and Claims on Foreign Countries	68.5	355.1
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	68.5	355.1
IV. Commercial Bills	94.8	45.8
(*a*) Inland	78.7	45.1
(*b*) Foreign	16.1	0.7
V. Securities and Investments	22.9	631.4
(*a*) Government	0.8	496.0
(*b*) Other	22.1	135.4
VI. Loans and Advances	31.3	244.4
(*a*) to the Government	—	185.0
(*b*) on Government securities	31.3	59.4
(*c*) Other		
VII. Sundries (including Premises, etc.)	3.4	36.5
VIII. Total Assets	**260.6**	**1,356.6**
LIABILITIES.		
IX. Capital	25.0	4.7
X. Reserve Funds	65.2	—
XI. Profit and Loss and Dividends Accounts	15.1	—
XII. Notes in circulation	113.0	1,156.2
XIII. Post Bills, Cheques, etc., in circulation	0.5	6.4
XIV. Current Accounts	28.8	189.3
(*a*) Government	20.7	60.4
(*b*) Other	8.1	128.9
XV. Other Deposits	10.0	—
(*a*) Government	—	—
(*b*) Other	10.0	—
XVI. Sundries	3.0	—
XVII. Total Liabilities	**260.6**	**1,356.6**

Table 8.

FINLAND

OF FINLAND

(000,000's omitted) at the end of

1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
43.1	43.1	51.6	51.9	52.8	54.8	55.8	55.5	55.4
42.6	42.6	42.6	43.4	42.7	42.7	43.0	43.3	43.3
0.5	0.5	9.0	8.5	10.1	12.1	12.8	12.2	12.1
0.4	0.8	0.8	0.9	0.7	0.3	0.6	1.0	0.9
74.6	180.3	215.7	708.0	607.2	797.7	367.4	446.9	793.9
—	—	—	—	—	—	—	—	—
74.6	180.3	215.7	708.0	607.2	797.7	367.4	446.9	793.9
240.3	271.5	635.8	665.6	701.6	704.0	994.9	846.1	548.8
158.6	219.6	627.4	590.7	701.5	704.0	994.9	843.8	539.6
81.7	51.9	8.4	74.9	0.1	—	—	2.3	9.2
550.7	553.9	438.7	545.2	516.5	475.6	472.2	472.2	451.3
436.1	435.5	404.2	511.4	488.1	452.5	450.6	450.6	437.9
114.6	118.4	34.5	33.8	28.4	23.1	21.6	21.6	13.4
484.7	561.3	454.8	131.2	75.2	54.9	59.5	59.2	59.5
393.9	421.0	303.9	71.7	60.0	48.0	48.0	48.0	48.0
90.8	140.3	150.9	59.5	15.2	6.9	11.5	11.2	11.5
4.1	8.7	22.8	22.1	29.4	77.9	42.2	42.2	101.9
1,397.9	**1,619.6**	**1,820.2**	**2,124.9**	**1,983.4**	**2,165.2**	**1,992.6**	**1,923.1**	**2,011.7**
25.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
68.5	17.7	50.0	50.0	50.0	50.0	50.0	50.0	50.0
25.9	48.4	70.0	39.5	47.0	47.0	47.0	47.0	112.3
1,123.9	1,341.0	1,356.1	1,420.9	1,352.4	1,399.6	1,305.1	1,278.8	1,250.0
6.7	6.7	2.8	5.4	7.0	4.8	6.9	8.4	8.1
144.5	99.9	235.3	417.2	412.4	300.2	165.7	107.7	233.9
6.1	32.1	136.0	245.4	300.9	247.5	77.4	31.2	164.2
138.4	67.8	99.3	171.8	111.5	52.7	88.3	76.5	69.7
—	—	—	85.0	—	—	—	—	—
—	—	—	85.0	—	—	—	—	—
—	—	—	—	—	—	—	—	—
3.4	5.9	6.0	6.9	14.6	263.6	317.9	331.2	257.4
1,397.9	**1,619.6**	**1,820.2**	**2,124.9**	**1,983.4**	**2,165.2**	**1,992.6**	**1,923.1**	**2,011.7**

FINLAND

Notes.

Book balances and credits abroad — Exchange policy:

In the Finnish Bank Act, current-account balances and credits with foreign banks are considered equivalent to gold in serving as cover for the note circulation. The great reduction in these balances in 1919 shown in Group III (*b*) of Table 8 above and in Table V (Vol. I) was due to payments abroad for cereals and other food supplies imported by the Government. In the following years, the Bank endeavoured to build up an ample foreign exchange reserve, these operations being facilitated in 1922 by the improvement in the Finnish rate of exchange due to the exceptionally favourable trade balance. In the autumn of that year, the Bank started a policy of exchange stabilisation at the level of about 40 markka to the dollar, which was maintained up to the beginning of February 1923, when the Bank, on account of the rising tendency in the mark quotations abroad, abandoned this level, allowing the dollar rate gradually to fall to about 36 markka. Some months later a reserve tendency in the mark quotations set in abroad, and the Bank, in order to maintain the new level, was forced to sell heavily from its exchange reserve, which sales can be followed in the quarterly figures for 1923 in Table V (Vol. I). In the autumn the new level had to be abandoned and the dollar rate rose to the old level of about 40 markka, which was maintained throughout 1924. At this rate the Bank was able, at the end of 1923 and the beginning of 1924, to restore to some measure its exchange reserve. Simultaneously, it bought from the Government considerable amounts of foreign currency representing the proceeds of certain foreign loans (12.3 million dollars and 1 million pounds sterling) negotiated in October with a view partly to strengthening the exchange reserve of the Bank, partly to extending productive State works and repaying short-term loans. Moreover, in order to bridge over the expected strained spring and summer period until the payments for the exports would begin to flow into the country, the Bank arranged for a credit with foreign banks in the beginning of February 1924. This credit, equivalent to 244.8 million markka, is included under III (*b*) in the quarterly statements for 1924 of Table 8 above and in Table V (Vol. I), an equal amount representing the Bank's liability on account of the credit being included in the sundries in group XVI of Table 8. The monthly figures for 1924 were as follows:

Markka (000,000's omitted).

End of	Balances abroad	Foreign Credit	Total
December 1923	607.2	—	607.2
January 1924	671.5	—	671.5
February »	681.5	244.8	926.3
March »	552.9	244.8	797.7
April »	409.6	244.8	654.4
May »	293.9	244.8	538.7
June »	122.6	244.8	367.4
July »	327.4	244.8	572.2
August »	227.1	244.8	471.9
September »	202.1	244.8	446.9
October »	265.7	244.8	510.5
November »	364.2	244.8	609.0
December »	549.1	244.8	793.9

On July 15th the balances abroad (apart from the foreign credit shown in the second column) had fallen to 34.4 million markka. But at that time a loan of 12 million dollars was placed at the disposal of the Industrial Mortgage Bank of Finland, which bank sold the whole of the foreign currency thus received to the Bank of Finland in exchange for markka. Thanks to this strengthening of its exchange reserve, the Bank of Finland was not forced to draw on its foreign credit.

Securities, loans and advances:

As the item "bonds in foreign currency" (see notes to last year's *Memorandum on Central Banks*) since the end of 1921, in fact, has consisted almost exclusively of Finnish Government bonds (of the 1919 foreign loan), it has been included in group V (*a*) of the corresponding statements in Table 8. The value

of these bonds at the end of 1924 equalled 3.8 million markka. The greater part of the Government bonds in Finnish currency constituting the rest of the amounts shown under V (*a*) represents old Russian Government debts assumed by the Finnish Government after the revolution. Since 1922 this debt is being paid off regularly. The direct short-term indebtedness of the Government to the Bank had been repaid already by that time, and no new advances have since then been granted to the Government. The 48 million markka in Treasury bills which remained unpaid at the end a of 1924 are not considered as a real advance but a "compensation" promised by the Government to cover the loss arising from the Bank's holdings of valueless Russian Treasury bills. This debt is to be paid off in five years[1].

Note circulation:

At the outbreak of war, the note issue of the Bank was governed by the following regulations:

The total of the notes in circulation, the outstanding drafts and other liabilities payable on demand, as well as the undrawn amounts of credits opened in current account (which item last mentioned is not included in the balance-sheets of the Bank), may not exceed the total of the Bank's stock of gold and Finnish silver coins, the credit balances with its foreign correspondents and its holdings of foreign bills, and bonds, notes and coupons in foreign currency, by more than 40 million markka.

In case of emergency, however, the Government may, subject to the approval of the Diet, authorise the Bank to extend the uncovered amount of note circulation and sight liabilities to 50 million markka.

The only Government securities admitted as note cover were bonds of Finnish State loans raised in foreign currency; but before the war the Bank's holdings of such bonds were insignificant. On April 24th, 1915, the 40 million markka limit for the uncovered notes and other sight liabilities was raised to 70 million markka. In 1918, the Government took over the losses resulting from the depreciation of the Bank's Russian assets included in the note cover, and from the illegal note issues made by the revolutionaries during the civil war in the beginning of that year, "Government bonds in Finnish currency" to the value of 350 million markka being handed over to the Bank to cover these losses. At the same time the Bank Act was altered so as to admit such bonds as cover for the notes and sight liabilities. Moreover, the Bank was authorised to include also short-term obligations of the Government in this cover, and the limit of the uncovered issue was extended to 200 million markka.

In order to prevent that the redemption of the Government indebtedness to the Bank would result in an undue contraction of the circulation, the basis for the note issue was altered by a law of December 30th, 1921. According to Article 18 of the new Bank Act, the sum of the notes issued and other liabilities payable on demand, inclusive of the undrawn credits in current account, may not exceed the total of the Bank's gold reserve and its credit balances with foreign correspondents by more than 1,500 million markka, and any such excess must be fully covered by the following assets (supplementary cover):

Finnish silver coin, bonds in foreign currency quoted on foreign stock exchanges, coupons and bank notes in foreign currency and foreign and inland bills falling due within not more than three months and based upon actual merchandise.

In addition, the new law provides, as a temporary regulation, that the Government bonds and short-term obligations which were in the possession of the Bank at the time of the coming into force of the law might serve as cover for the note issue. In case of emergency, the maximum limit of 1,500 million markka may be extended, on the authorisation of the President of the Republic, for a given period, by 100 million markka.

By the inclusion in the cover of inland bills, the Government was enabled to continue the redemption of its debt to the Bank without reducing the note circulation below the limit which was considered to correspond to the needs of business. Moreover, by admitting as cover only those Government assets in Finnish currency actually in possession of the Bank, and fixing a maximum limit of issue, the power of the Government to borrow from the Bank was limited.

Proposed currency reform:

The above stipulations remained in force unchanged at the end of 1924. Since the middle of 1923, however, a reorganisation of the monetary system on the basis of the actual value of the mark, which has remained practically stable since the autumn of 1922, has been officially contemplated. At the request of the Bank Commissionaries of the Diet, a Swedish economist, Professor E. F. Heckscher, has reported on the subject and proposed a devaluation of the markka and the readoption of an effective gold standard. But no definite proposal had yet been submitted to the Diet by the end of 1924.

In November 1924 a special committee composed of representatives of the Bank of Finland, the joint-stock banks and the important business interests was appointed to examine this proposal. In

[1] For further details, see notes to the *Memorandum on Central Banks, 1913 and 1918-1923.*

April 1925 this Committee issued a report proposing the re-introduction of the gold standard as soon as the United Kingdom had done so and re-established a free gold market. According to the Committee's report, the present currency unit is to be maintained and its gold value to be fixed at 39.79 markka to the dollar. The Committee recommends that new gold coins be struck in denominations of 100 and 200 markka, the former to contain $3\,^{93}/_{119}$ grammes of fine gold, and the present nickel coins of 1 markka, 50 and 25 penni and the copper coins of 10 and 5 penni be maintained. It further recommends that the bank notes be redeemable in gold or foreign exchange at the Bank's option at rates not exceeding the gold parity by more than 1 %. The right of note issue is to be limited to the total of the Bank's gold and foreign exchange reserves plus 1,000 million markka represented by specially defined commercial assets, except for temporary emergency issues to be authorised by the President of the Republic subject to an increase of the bank rate by at least one-fifth.

As a transitory measure the Committee recommends the strengthening of the Bank's exchange reserve by repayment in foreign currency of the Government debt to the Bank and by utilisation of the whole of the Bank's profits.

After the re-establishment of the gold standard in the United Kingdom, negotiations have been carried on with the Bank of England. The Financial Commission of the Diet has taken a decision to support the proposal of the Committee at the next session of Parliament in September, and to insist on the re-introduction of the gold standard at an early date.

FRANCE

Table 9. FRANCE

ACCOUNTS	BANK Position in		
	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	4,157.5	3,758.8	3,868.3
(*a*) Gold	3,517.4	3,440.5	3,600.3
(*b*) Silver and Token coins	640.1	318.3	268.0
II. Other items of a Reserve or Cash nature	0.1	6.1	18.1
III. Assets in and Claims on Foreign Countries	—	4,373.6	3,274.9
(*a*) Gold Deposits abroad	—	2,037.1	1,978.3
(*b*) Book Balances and Credits abroad	—	2,336.5	1,296.6
IV. Commercial Bills	1,523.6	1,044.3	1,266.4
(*a*) Inland	—	—	—
(*b*) Foreign	—	—	—
V. Securities and Investments	220.9	221.1	221.3
(*a*) Government	212.5	212.7	212.9
(*b*) Other	8.4	8.4	8.4
VI. Loans and Advances	977.8	22,091.7	30,919.3
(*a*) to the Government	205.4	20,876.0	29,455.0
(*b*) on Government securities	742.4	1,202.8	1,451.4
(*c*) Other	30.0	12.9	12.9
VII. Sundries (including Premises, etc.)	108.0	2,618.8	2,594.3
VIII. Total Assets	**6,987.9**	**34,114.4**	**42,162.6**
LIABILITIES.			
IX. Capital	182.5	182.5	182.5
X. Reserve Funds	42.5	42.9	43.0
XI. Profit and Loss and Dividends Accounts	41.4	85.4	79.5
XII. Notes in circulation	5,713.6	30,249.6	37,274.5
XIII. Post Bills, Cheques, etc., in circulation	3.9	2.4	2.3
XIV. Current Accounts	978.7	2,477.9	3,203.6
(*a*) Government	403.4	111.7	76.5
(*b*) Other	575.3	2,366.2	3,127.1
XV. Other Deposits	19.9	502.0	753.8
(*a*) Government	—	437.4	705.5
(*b*) Other	19.9	64.6	48.3
XVI. Sundries (including Pension Funds)	5.4	571.7	623.4
XVII. Total Liabilities	**6,987.9**	**34,114.4**	**42,162.6**

FRANCE

Table 9.

OF FRANCE

Francs (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
3,817.9	3,855.6	3,959.4	3,972.4	3,975.5	3,978,5	3,981.1	3,986.5
3,551.8	3,575.8	3,670.3	3,676.9	3,677.5	3,678.8	3,679.8	3,680.8
266.1	279.8	289.1	298.0	298.0	299.7	301.3	305.7
1.7	0.6	1.9	1.0	1.0	6.8	0.7	1.7
2,549.6	2,556.1	2,437.0	2,440.0	2,443.8	2,435·3	2,432.4	2,433.9
1,948.4	1,948.4	1,864.3	1,864.3	1,864.3	1,864.3	1,864.3	1,864.3
601.2	607.7	572.7	575.7	579.5	571.0	568.1	569.6
3,273.8	2,121.5	1,990.8	3,245.1	5,360.1	3,697.0	3,985.3	5,240.7
—	—	—	—	5,330.4	3,670.5	3,967.9	5,219.3
—	—	—	—	29.7	26.5	17.4	21.4
223.2	223.2	251.2	251.1	272.9	289.1	288.7	288.3
214.8	214.8	242.8	243.7	264.5	280.7	280.3	279.9
8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
32,997.6	31,530.6	30,501.6	30,497.1	30,031.2	30,565.0	30,756.1	30,602.2
30,780.0	29,242.0	28,355.0	28,083.0	27,551.0	27,924.0	27,997.0	27,672.0
2,204.7	2,275.7	2,133.7	2,401.2	2,480.2	2,641.0	2,759.1	2,930.2
12.9	12.9	12.9	12.9	—	—	—	—
1,872.1	2,188.3	2,129.8	2,457.7	3,499.8	3,256.8	3,317.0	3,035.8
44,735.9	**42,475.9**	**41,271.7**	**42,865.8**	**45,584.3**	**44,228.5**	**44,761.3**	**45,589.1**
182.5	182.5	182.5	182.5	182.5	182.5	182.5	182.5
54.9	72.6	84.7	95.5	95.5	112.2	112.2	141.3
96.0	92.9	127.3	109.3	4.3	29.3	4.7	137.2
37,552.2	36,417.4	35,953.0	37,763.0	39,949.6	39,664.7	40,338.7	40,604.0
1.0	0.8	0.5	0.5	0.5	0.4	0.4	0.4
3,599.2	2,746.4	2,344.3	2,255.6	3,242.0	2,150.6	1,741.8	1,972.8
115.9	45.1	10.3	21.4	18.8	13.4	14.6	13.5
3,483.3	2,701.3	2,334.0	2,234.2	3,223.2	2,137.2	1,727.2	1,959.3
1,094.4	1,888.7	1,382.5	1,359.7	777.8	980.3	1,184.9	1,394.0
1,037.1	1,823.6	1,329.9	1,309.2	724.5	925.9	1,133.5	1,347.0
57.3	65.1	52.6	50.5	53.3	54.4	51.4	47.0
2,155.7	1,074.6	1,196.9	1,099.7	1,332.1	1,108.5	1,196.1	1,156.9
44,735.9	**42,475.9**	**41,271.7**	**42,865.8**	**45,584.3**	**44,228.5**	**44,761.3**	**45,589.1**

FRANCE

Notes

The annual balance sheet of the Bank of France refers to December 24th, on which date the financial year of the Bank is closed.

Metallic and foreign exchange reserves. — Exchange policy:

As shown in Table IV (Vol. I) and in Table 9 above, 2,037 million francs of the Bank's gold reserve were transferred abroad in 1916 and 1917. Of this amount, 1,955 million francs were deposited in the United Kingdom as collateral for certain advances. Under the terms of an agreement between the Bank of France and the Bank of England, whereby the latter discounted French Treasury bills to a value at first of £60 millions, which was raised later to £72 millions and has since been reduced to £55 millions, £24 millions in gold were deposited with the Bank of England in February 1916. Secondly, £53.5 millions were deposited in the United Kingdom as collateral against a loan advanced to the French by the British Government. These deposits are to be repaid in proportion as the loans are repaid. As will be seen from the tables, certain repayments were effected in 1919, 1920 and 1922. During the spring of 1923, an agreement was reached between the two Central Banks according to which the outstanding bills are to be redeemed over a period of seven years.

The foreign exchange reserve at the end of 1918 and 1919, as shown under III *(b)* in Table 9, included certain Government credits as follows:

	Francs (000,000's omitted) 1918	1919
Credits granted by the Treasury of the United States	1,036.–	518.–
Balances abroad	1,300.5	778.6
Total	2,336.5	1,296.6

The American credits were originally granted to the French Treasury, which, however, ceded them to the Bank. The credit balance of 518 million francs at the end of 1919 was entirely used in 1920. The amounts given for that and the subsequent years, therefore, consist exclusively of other foreign balances. It should be observed that these are converted into francs in the balance sheets according to the legal pre-war parities. Their value in paper francs on the various dates given in Table V (Vol. I), calculated according to the dollar exchange rates, is shown below:

	Francs (000,000's omitted) Gold francs			Paper francs		
End of	Balances abroad	Foreign Bills [1]	Total	Balances abroad	Foreign Bills [1]	Total
1918	2,336.5	—	2,336.5	2,456	—	2,456
1919	1,296.6	—	1,296.6	2,947	—	2,947
1920	601.2	5.2	606.4	1,958	17	1,975
1921	607.7	5.4	613.1	1,510	13	1,523
1922	572.7	6.1	578.8	1,535	17	1,552
March 1923	596.–	6.1	602.1	1,818	19	1,837
June ,, ...	566.6	6.2	572.8	1,735	19	1,754
Sept. ,, ...	577.8	8.7	586.5	1,904	29	1,933
Dec. ,, ...	575.7	20.6	596.3	2,116	76	2,192
March 1924	579.5	29.7	609.2	2,389	122	2,511
June ,, ...	571.–	26.5	597.5	2,097	97	2,194
Sept. ,, ...	568.1	17.4	585.5	2,068	63	2,131
Dec. ,, ...	569.6	21.4	591.–	2,036	76	2,112

[1] The Bank's holdings of foreign bills are not shown separately in its annual reports. The figures here given are taken from the weekly balances corresponding most closely to the annual reports.

As shown in Table I (Vol. I), there was an almost continuous decline of the French exchange between April 1922 and the end of 1923, when the rapidity of the fall in the exchange value of the franc became alarming. The rate of discount was raised from 5 to 5 ½ % on January 10th and to 6 % on January 17th and the loan rate from 6 to 7 %.

This, however, did not suffice to check the rise in the dollar and pound exchanges, which in the early days of March touched the extreme quotations of 28 and 120 francs respectively. Then the Bank intervened and obtained a credit of 4 million pounds in London and another credit of 100 million dollars in New York. These credits were accorded for three months and were renewable for another three months. They were not guaranteed by actual surrender or pledge of gold, but it was anticipated that if, at maturity, the Bank had not at its disposal the necessary pounds or dollars to assure the repayment of the sums still due, it would effect this repayment by shipment of gold.

By selling from these credits, the Bank forced down the dollar and pound quotations by the end of March to 18 and 78 francs, at which rates it began to repurchase foreign bills. The dollar and pound quotations continued to fall to a minimum of about 15 francs and 65 francs respectively on April 23rd, and then reacted to about 18 and 80 francs. By this time the Bank had completely reconstituted the sums previously sold. The pound credit was repaid at maturity in September and the dollar credit was renewed for three more months to December 12th, when it was definitely liquidated in connection with the flatation on the American market of a French Government loan of an equivalent amount for a period of 25 years. The day before, the rate of discount had been increased to 7 %.

As indicated below in the section on the State indebtedness to the Bank, the American loan was used by the Government for paying part of the annuity for 1924 due by the State to the Bank. The net proceeds of the loan thus placed at the disposal of the Bank amounted to about 89 million dollars and are entered in the balance sheets at the legal par value of 5.18 francs. This money is to be retained in the United States and to be utilised exclusively for the purpose of protecting the exchange. In this connection the 1924 report of the Bank states:

> The Bank is charged with the eventual utilisation of these dollars under the same exceptional conditions as the credits granted to it in the beginning of the year. The dollars so expended will form the subject of a settlement with the State, and the Bank must give an account to the Treasury, for every dollar definitely sold, of the difference between the sale price and the initial price of acquisition of Fr. 5.18.
>
> It is anticipated that well before the passing of the 25 years for which the loan was contracted in America, the strengthening of our monetary situation will no longer oblige us to conserve resources for intervention in the exchange market. It is in view of this eventuality that the Treasury has reserved the right of receiving back from us, for its own needs at the rate of Frs. 5.18 each, the dollars which at that time have not been disposed of.

The dollar exchange derived from the above loan is not included in the exchange reserve proper of the Bank (group III (*b*) of Table 9), but is entered in a special account, as were also the credits obtained by the Bank in the beginning of the year. This account is not shown separately in the Bank's balance sheets, but is included in the sundry assets (group VII of the table). It is not possible, therefore, to follow the utilisation of the credits from the balance sheets.

Indebtedness of the State to the Bank of France:

The State debt to the Bank shown under VI (*a*) in Table 9 is composed as follows:

Francs (000,000's omitted)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Statutory advances to the Government . .	200.–	200.–	200.–	200.–	200.–	200.–	200.–	200.–	200.–	200.–	200.–
Provisional advances to the Government .	—	17,150.–	25,500.–	26,600.–	24,900.–	23,800.–	23,300.–	22,700.–	23,000.–	23,000.–	22,600.–
Treasury bills discounted for advances by the State to foreign Governments . . .	5.4	3,526.–	3,755.–	3,980.–	4,142.–	4,355.–	4,583.–	4,651.–	4,724.–	4,797.–	4,872.–
Total . .	205.4	20,876.–	29,455.–	30,780.–	29,242.–	28,355.–	28,083.–	27,551.–	27,924.–	27,997.–	27,672.–

The "Statutory" advances, as given above, consist of four different advances granted to the Government in the years 1857, 1878, 1896 and 1911. They are, in the reports of the Bank, called "permanent advances to the State free of interest". According to the Law of December 20th, 1918, the period for their repayment expires on December 31st, 1945, *i.e.*, the date of the expiration of the Bank's privilege of note issue.

The "provisional" advances accorded to the Government against three-month Treasury bonds, in conformity with various conventions during and after the war, are subject to interest. Up to the end of

1919, the interest was 1 % on a total of 21 milliard francs and 0.75 % on the amounts in excess of this sum, the maximum limit of the advances to the Government having been fixed, in the beginning of 1919, at 27 milliard francs. According to a special Convention of September 21st, 1919 (authorised by a Law of December 26th of that year), additional interest of 2.2.25% was allowed on the provisional advances at their renewal one year after the cessation of hostilities. The profits derived from the additional interest which the Government, under the terms of that convention, had to pay even retroactively from the beginning of the war, were to be credited to a special "Amortisation account", established originally as a reserve against losses, which might be incurred in connection with the liquidation of bills and other assets of the Bank subject to moratorium under the special war legislation. This account, which in addition is financed under the terms of a Law of December 20th, 1918, by special contributions by the Bank from its remaining profits on the "provisional" advances to the Government and on the discounts of Treasury bills, is included under the special deposits in group XV(*a*) of Table 9. Its composition is shown below:

Francs (000,000's omitted)

	End of	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Amortisation Account	Cover for unliquidated assets . . .	437.4	702.9	908.6	556.9	528.–	512.7	511.3	508.3	508.1	507.8
	Surpluses available for the amortisation of the advances to the State. .	—	—	122.5	1,257.9	790.6	782.9	199.6	402.8	610.5	823.2
Annexed interest on the Amortisation Account	Account for the Amortisation Account	—	2.6	6.–	8.8	11.3	13.6	13.6	14.8	14.9	16.–
	Total . .	437.4	705.5	1,037.1	1,823.6	1,329.9	1,309.2	724.5	925.9	1,133.5	1,347.–

According to the laws indicated above, that part of the Amortisation account which exceeds the amount required as cover for the unliquidated assets subjected to moratorium shall be used for the amortisation of the Government debt to the bank. The reduction in the first item since December 24th, 1920, reflects the liquidation of these assets. The surpluses available for amortisation of the State debt have been wholly used for that purpose since 1921. The annual figures in the statement above show the amounts on each December 24th, which on the last day of the same year were utilised for the repayment of the State debt. The Bank grants interest on the Amortisation account at the rate applied to the "provisional" advances to the State. This interest is carried to the "annexed interest account", shown as third item of the statement above, and will not be distributed until the liquidation has been finally carried through.

The total of the amortisations effected from the Amortisation account at the end of the years 1921-1924 amounts to 3,718 million francs and constitutes the main part of the repayments of "provisional" advances made under the Convention of December 29th, 1920. By this convention the Government engaged itself to bring down the outstanding balance of the "provisional" advances to 25 milliard francs before January 1st, 1922, and to continue in subsequent years to pay off at least 2 milliard francs annually. Actually the Government repaid 1 milliard francs in 1922 and 800 millions in 1923 by virtue of special agreements, under which the authorised limit of the advances was fixed at 24 milliard francs for 1923 and 23,200 millions for 1924. The latter limit, however, would appear to have been exceeded for certain periods, although it was not shown in the weekly returns of the Bank.

By a Convention of December 22nd, ratified by a Law of December 31st, 1924, the repayment for 1924 was fixed at a minimum of 1,200 million francs and the authorised limit of the "provisional" advances for 1925 at 22,000 million francs. The repayment effected by the end of 1924 included, in addition to the sums available on the Amortisation account, the whole net product of the American loan just floated, about 89 million dollars, counted at the nominal parity of Frs. 5.18. These dollars may be used by the Bank only on authorisation by the Minister of Finance. (See preceding section.)

In the early months of 1924 the Government had to ask for additional advances from the Bank of France for the purpose of paying Treasury bills presented to the Treasury for redemption instead of renewal. These additional advances to the Government in excess of the limit fixed for 1925 were not shown as such in the balance sheets of the Bank but were included in various other accounts, and mainly in the commercial bill portfolio. On April 7th, however, a new convention was concluded, authorised by a Law of April 15th, under which the maximum for the "provisional" advances to the State was increased to 26,000 million francs. According to the same convention, the repayment on the Government debt to be effected for 1925 will be limited to the balance available on the Amortisation account at the end of the year.

On June 27th a new law was passed authorising the Government to contract a "supplementary" advance of 6 milliard francs (above the 26 milliard limit) mainly for the purpose of redeeming Treasury

bills falling due in July and September. Under the same law, the Minister of Finance is authorised to raise a long-term loan to be used exclusively for conversion of the floating debt, to be open for subscription only to holders of Treasury bills and to be guaranteed against exchange depreciation (*i.e.* to be raised on a gold basis). Finally, the floating debt to the Treasury is not to exceed its actual amount on the date when the subscriptions to this loan are closed.

Circulation of Notes and Coins:

By a Convention of September 28th, 1920, the maximum of the authorised note issue of the Bank of France was fixed at 41 milliard francs. This limit, which had remained unchanged since that date, was in point of fact exceeded in the beginning of 1925, when the additional advances to the Government were made. This excess issue for the account of the Treasury, however, was not shown under the heading "notes in circulation" in the weekly returns but was included in the unspecified "sundry liabilities". By the Law of April 15th, 1925, the limit was temporarily extended to 45 milliard, and by the Law of June 27th to 51 milliard francs. There are no other stipulations regulating the note issue of the Bank.

Since the war, the short-term Treasury bills have been used largely as substitutes for money in important transactions. In recent years and especially in 1924, the Bank of France, with the assistance of the commercial banks and the Chambers of Commerce, has endeavoured to popularise the use of cheques and other forms of book-payments.

Towards the end of 1924 certain proposals were put forward for the withdrawal of notes circulating in the Saar territory and in Madagascar and their replacement by special issues. 500-600 million francs would thus be gained for the domestic circulation. Since the legal maximum of the note issue of the Bank of France was increased, no steps have been taken to realise these proposals.

The demand for token money in France, which resulted from the withdrawal of silver and the increase in prices, has been met in part by the issue of small notes by the Chambers of Commerce, and in part more recently by the minting of aluminium-bronze and nickel-bronze coins.

The Chamber of Commerce issues previous to October 5th, 1916, were guaranteed by an equivalent sum in bank notes deposited in the vaults of the Bank of France. Issues subsequent to October 5th, 1916, were guaranteed by funds formed in the Treasury vaults as the various issues were made. In a letter of August 31st, 1921, the Ministry of Finance informed the Bank of France of its decision to include in the State accounts the guarantee for all issues of notes, and requested it to pay into the Treasury account the balance of the guarantee deposits still held in its vaults.

The circulation of these Chamber of Commerce notes on October 1st, 1922, amounted to 280,006,700 francs. Since this date, they have diminished steadily in number as the new metal token coins were put into circulation and, by the end of the first quarter of 1924, had been almost completely supplanted. These coins had been issued in the name of the Chambers of Commerce; but the State has borne all the charges and to it will accrue any eventual profit or loss.

The coins are considered as a provisional currency replacing temporarily the Chamber of Commerce notes. The following quantities have been minted during the last five years:

		Number of coins	Nominal value: francs
1920	Coins of 1 franc	590,049	590,049
1921	,, ,, 2 francs	14,362,786	28,725,572
	,, ,, 1 franc	54,571,959	54,571,959
	,, ,, 50 centimes	8,691,867	4,345,933·5
1922	,, ,, 2 francs	29,462,887	58,925,774
	,, ,, 1 franc	111,342,910	111,342,910
	,, ,, 50 centimes	86,225,994	43,112,997
1923	,, ,, 2 francs	43,960,369	87,920,738
	,, ,, 1 franc	140,137,683	140,137,683
	,, ,, 50 centimes	119,583,707	59,791,853·5
1924	,, ,, 2 francs	29,631,410	59,262,820
	,, ,, 1 franc	87,714,563	87,714,563
	,, ,, 50 centimes	97,036,160	48,518,080
	Total	823,312,344	784,960,932

It is estimated that before the war the circulation of token money amounted to about 450 million francs.

Table 10

GERMANY

ACCOUNTS	REICHSBANK Position in Mark (000,000's omitted)				
	1913	1918	1919	1920	1921
ASSETS.					
I. Metallic Reserve at home	1,446.8	2,282.2	1,110.0	1,097.4	1,007.0
(*a*) Gold	1,170.0	2,262.2	1,089.5	1,091.6	995.4
(*b*) Silver and Token coins	276.8	20.0	20.5	5.8	11.6
II. Other items of a Reserve or Cash nature	59.0	5,269.1	11,027.2	23,418.3	6,965.7
III. Assets in and Claims on Foreign Countries	68.1	537.2	664.2	1,911.7	6,198.6
(*a*) Gold Deposits abroad	—	—	—	—	—
(*b*) Book Balances and Credits abroad	68.1	537.2	664.2	1,911.7	6,198.6
IV. Commercial Bills	1,497.8				1,549.3
(*a*) Inland	1,357.6				—
(*b*) Foreign	140.2				—
V. Securities and Investments	6.6	151.2	162.4	194.2	208.5
(*a*) Government	—	—	—	—	—
(*b*) Other	—	—	—	—	—
VI. Loans and Advances	491.4	27,437.5	42,108.1	61,092.2	132,339.4
(*a*) to the Government	396.9	27,431.9	42,098.3	61,087.8	132,330.9
(*b*) on Government securities (*c*) Other	94.5	5.6	9.8	4.4	8.5
VII. Sundries (including Premises, etc.)	133.6	2,032.5	2,338.2	5,475.5	5,036.3
VIII. Total Assets	**3,703.3**	**37,709.7**	**57,407.2**	**94,189.3**	**153,304.8**
LIABILITIES.					
IX. Capital	180.0	180.0	180.0	180.0	180.0
X. Reserve Funds	80.9	666.7	2,815.9	227.6	725.1
XI. Profit and Loss and Dividends Accounts	39.9	42.0	42.8	42.1	52.7
XII. Notes in circulation	2,593.5	22,192.4	35,699.4	68,806.4	113,641.5
XIII. Post Bills, Cheques, etc., in circulation	0.5	0.2	15.6	—	0.6
XIV. Current Accounts	793.5	13,342.8	17,353.6	23,148.4	36,544.4
(*a*) Government	—	—	—	—	—
(*b*) Other	—	—	—	—	—
XV. Other Deposits	11.8	602.9	799.9	575.1	1,214.4
(*a*) Government	3.7	357.9	416.6	105.4	500.0
(*b*) Other	8.1	245.0	383.3	469.7	714.4
XVI. Sundries (including Pension Funds)	3.2	682.7	500.0	1,209.7	946.1
XVII. Total Liabilities	**3,703.3**	**37,709.7**	**57,407.2**	**94,189.3**	**153,304.8**

Table 10

GERMANY

at the end of		Gold Mark (000,000's omitted) at the end of				
1922	Dec. 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
1,020.0	2,334	445.7	443.6	455.4	463.2	598.9
954.8	446	445.7	443.6	431.9	441.5	552.5
69.2	1,888	—	—	23.5	21.7	46.4
238,491.5	202,265,350,139,850	202.3	229,5	278.9	222.8	153.0
964.7	274,317,388,258,458	295.6	?	?	?	1,343.5
50.0	21	21.3	21.2	30.3	136.5	207.1
914.7	274,317,388,258,437	274.3	?	?	?	1,136.4
411,773.7	334,181,793,703,523	334.2	1,767.4	1,898.0	2,169.9	2,051.4
—	—	—	—	—	—	1,881.9
—	—	—	—	—	—	169.5
511.1	10,017,264,150,000	10.0	(10.0)	76.4	78.3	316.0
—	—	—	—	—	—	143.7
—	—	—	—	—	—	172.3
1,185,238.4	268,325,819,530,338	268.3	143.1	108.8	54.4	17.0
1,184,464.4	—	—	—	—	—	—
774.0	268,325,819,530,338	268.3	143.1	108.8	54.4	— 17.0
52,970.9	267,003,608,634,342	267.0	222.5	702.3	842.1	133.7
1,890,974.3	**1,356,111,224,418,845**					**4,613.5**
180.0	180	(180.0)	(180.0)	(180.0)	(180.0)	90.0
26,758.2	900,381,050,000	0.9	(0.9)	(0.9)	0.9	72.4
299.2	8,103,429,495,794	8.1	—	—	—	98.0
1,280,098.2	496,507,430,220,934	496.5	689.9	1,097.3	1,520.5	1,941.4
225.7	—	—	—	—	—	—
530,867.9	548,133,133,960,384	548.1	704.7	773.9	670.1	820.9
—	303,114,560,004,428	303.1	352.4	493.0	307.5	—
—	245,018,573,955,956	245.0	352.3	280.9	362.6	—
42,786.4	6,656,071,472,542	6.7	800.0	800.0	800.0	478.5
17,206.0	4,000,000,000,000	4.0	—	—	—	—
25,586.4	2,656,071,472,542	2.7	800.0	800.0	800.0	478.5
9,758.7	295,810,778,219,011	295.8	168.5	416.6	397.5	1,112.3
1,890,974.3	**1,356,111,224,418,845**					**4,613.5**

GERMANY.

Notes.

The Reichsbank, the Rentenbank and the Golddiskontobank.

In the autumn of 1923 the currency depreciation in Germany reached the stage where the paper mark, after having already lost its faculty as a measure of value, proved almost useless, as well, as an instrument of payment. The collapse of the mark had been precipitated by the substitution of foreign money for mark notes, by the adoption in private business of various systems of accountancy in gold or other stable values, and by the practice of basing contracts on stable foreign currencies. So-called " stable-value " loans were issued in terms of rye, coal, coke, potash, wood, etc., mainly by industrial undertakings. The Government adopted similar methods by the issue, in April 1923, of Treasury bills made out in dollars for which the Reichsbank assumed liability through endorsement, and, in August and September, of a long-term " gold loan " payable in dollars. The Reichsbank introduced valorisation clauses in its credit agreements, and the dollar was adopted for inter-bank transfers. These and similar measures were approved by special legislation.

As the depreciation of the mark went on, several proposals aiming at a re-organisation of the currency were put forward, and in October 1923 a provisional plan of reform was adopted under which Government borrowing from the Reichsbank was stopped and a temporary independent bank of issue, the *Rentenbank*, established. This bank, created by decree of October 15th, 1923[1], was furnished with a capital of 3,200 million *rentenmark* (equivalent to *goldmark*) by imposition of a mortgage on all landed properties amounting to 4 % of their assessment value fixed for the National Defence levy and a charge — by issue of special debentures — to an equal amount on industry, commerce and trade including banking. Both the real estate mortgages and the debentures were made out in gold mark and bore interest at 6 %. Against this security the Rentenbank issued *rentenbonds* in denominations of 500 goldmark and multiples thereof, bearing interest at 5 %, which serve as cover for the issue of the rentenmark notes. The mortgage to be imposed on property in the unoccupied territory being estimated at about 2,400 million rentenmark, rentenbonds were issued only up to that amount, forming the capital of the bank, whereas the remaining 800 millions were considered as a reserve fund. Thus, the limit of the rentenmark note issue was 2,400 millions.

The Rentenbank was only permitted to deal with the Government, the Reichsbank and the so-called private banks of issue. It started operations in the middle of November 1923, and at the same time the Reichsbank stopped discounting Treasury bills. According to the decree of October 15th, the Rentenbank, during a period of two years, was to grant the Government advances up to a total of 1,200 million rentenmark, of which up to 300 million rentenmark were to be placed free of interest at the immediate disposal of the Government for the purpose of redeeming the Treasury bills held by the Reichsbank. The remainder was to bear a fixed interest of 6 %. The Rentenbank was also entitled to grant advances up to a maximum of 1,200 rentenmark to the Reichsbank and the private banks of issue for the purpose of providing credits for productive purposes, these advances to be allocated to the above banks in proportion to their note circulation on July 31st, 1914. Below is given a summary of the operations of the Rentenbank.

It will be noted from the statement below that, of the credits opened to the Government, only 200 million rentenmark were given free of interest, 196.5 millions of that amount being used for the redemption of the Treasury bills held by the Reichsbank, whereas the remaining 1,000 millions (bearing interest at 6 %) were used for balancing the budget.

The credits shown under the heading " Loans for private productive purposes " (*Wirtschaftsdarlehen*) represented almost exclusively agricultural credits. They were only given on a fixed-value basis (*wertbeständig*), those receiving the loans being bound by a special clause to repay the gold value of the credits granted. The banks borrowing from the Rentenbank did not act as commission agents for it but gave and obtained credit themselves, paying to the Rentenbank three-tenths of the current rate of discount.

The rentenmark became at once equivalent to the goldmark for all internal payments. The value of the paper mark was at the same time stabilised at the rate: 1,000,000,000,000 paper mark = 1 rentenmark or goldmark, this being fixed as the official rate for the new tax payments in gold.

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[1] An extract of this decree is given on pages 200–202 of the *Memorandum on Central Banks*, 1913 and 1918–1923.

RENTENBANK

Position in Rentenmark (000,000's omitted).

Assets: End of	Nov. 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924	March 1925
Mortgage on Agriculture, Industry and Trade in favour of Rentenbank	3,200	3,200	3,200	3,200	3,068	2,000	2,000
Rentenbonds on hand [a]	*1,560*	*2,400*	*2,400*	*2,400*	*2,400*	*2,000*	*2,000*
Loans to the Government:							
Without interest	200	200	200	196	196		
With interest	565	1,000	900	1,000	1,004	1,200	1,187
With interest for improvement works [b]	—	—	—	3	6		
Loans for private productive purposes:							
To the Reichsbank	—	—	800	800	800	780	780
To the other banks of issue	—	34	70	70	70		
Temporarily on deposit with the Reichsbank for inaugurating rentenmark clearings	—	320	200	100	—	—	—
Cash, postal orders, and due from banks	2	11	5	75	110	192	203
Other assets	—	—	—	—	—	24	—
Total						**4,196**	
Liabilities:							
Capital	2,400	2,400	2,400	2,400	2,400	2,000	2,000
Reserve Fund	800	800	800	800	668	—	—
Rentenmark notes in circulation	768	1,242	1,986	2,050	2,076	1,980	1,911
Rentenbonds in circulation [c]	—	—	—	—	—	—	—
Rentenmark redemption according to § 7 *(c)* of the Liquidation Law	—	—	—	—	—	—	56
Other liabilities	—	—	—	—	—	19	—
Reserved for special purposes	—	—	—	—	—	16	—
Net profits	—	—	—	—	—	181	—
Total						**4,196**	

During December 1924 a series of decrees concerning gold accountancy in private finance were issued. The most important, that of December 28th, compelled all firms and individuals having to keep books to open an inventory and keep their books from the new year or the beginning of their own financial year in gold marks at the rate of 42 gold mark to 10 U.S.A. dollars.

The currency stabilisation was followed in the beginning of 1924 by a severe credit crisis. In order to alleviate the situation of industry and export trade, a new credit institution, the *German Gold Discount Bank*, was established under a law passed on March 19th, 1924 [1], in the form of a private bank, independent

(a) This item is only given *pro memory* in the returns of the Bank and represents the amount of rentenbonds made out by the Bank less those put into circulation (*cf.* liabilities). The amount of such bonds held outside the Rentenbank, however, never exceeded 233,500 goldmark and represented, at the end of 1924, 156,000 goldmark.

(b) Since November 1924 these loans are included in those for private productive purposes, as, under the law on the liquidation of the Rentenbank, they have to be liquidated within the same period (three years).

(c) See note (*a*) above.

1 For the text of this law see *Memorandum on Currency*, 1913–1923, page 110.

of the Government, with a subscribed share capital of £10 millions. One-half of this capital (share group A) was subscribed by the Reichsbank and fully paid up, the Reichsbank receiving for this purpose a credit of £5 millions from the Bank of England, whereas of the remaining 5 millions (share group B) subscribed by a consortium comprising almost the whole German banking world, only a little over 25 % was paid up (in stable foreign exchange). In addition, the Gold Discount Bank secured rediscount credits of £5 millions with British banks, $25 millions with American Banks and 25 million francs with Swiss banks.

The new bank was managed solely by the Reichsbank and its business consisted chiefly in discounting bills maturing in not more than three months and in granting advances likewise running for not more than three months, these bills and loans being payable in pounds sterling, dollars or other high value currencies. The Bank was prohibited from granting credits, either directly or indirectly, to the financial administrations of the Reich, the States or the Communes.

It was given the right to issue notes expressed in terms of pounds sterling to the amount of £5 millions, covered to the extent of at least 50% by gold, foreign bank notes and short-term bills, cheques and sight balances in foreign currency, the remainder to be covered by the other discounts of the bank. These notes, which were intended to serve as certificates for use in foreign exchange transactions, were not to be legal tender. The Bank, however, did not make use of this privilege of issue.

The Gold Discount Bank was opened on April 7th, 1924. The development of its operations may be judged from the following table:

GERMAN GOLD DISCOUNT BANK

Position in £ (000's omitted).

End of	April 1924	May 1924	June 1924	July 1924	Aug. 1924	Sept. 1924	Oct. 1924	Nov. 1924	Dec. 1924
Assets:									
1. Gold	9	9	9	9	9	9	9	—	—
2. Foreign bank notes	6	6	6	12	16	1	1	—	—
3. Foreign credits subject to call	5,644	1,478	178	429	1,097	765	545	670	501
4. Bills and cheques [a]	585	5,385	6,790	6,472	6,220	6,395	6,715	6,731	6,677
5. Subscribed capital not paid up	3,806	3,632	3,557	3,530	3,522	3,353	3,281	3,281	3,353
6. Other assets	—	2	17	18	32	48	54	57	67
Total Assets	**10,050**	**10,512**	**10,557**	**10,470**	**10,896**	**10,571**	**10,605**	**10,739**	**10,598**
Liabilities:									
1. Capital subscribed	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2. Reserve	—	—	—	—	—	—	—	—	—
3. Note circulation	—	—	—	—	—	—	—	—	—
4. Demand deposits	37	364	292	149	477	70	106	229	70
5. Other liabilities	13	148	265	321	419	501	499	510	528
Total Liabilities	**10,050**	**10,512**	**10,557**	**10,470**	**10,896**	**10,571**	**10,605**	**10,739**	**10,598**
Contingent liabilities on endorsed bills	—	—	3,995	7,335	7,429	6,226	5,210	3,632	1,106
[a] Thereof short-term	—	30	70	108	218	1,749	342	1,082	781

The Gold Discount Bank was likewise only intended to bridge over the transition period. As will be seen from the above table, its credits have remained stationary since June 1924. According to a statement by Dr. Schacht in the General Board of the Bank on September 18th, 1924, only a restricted use has been made of the foreign rediscount credits, as the Reichsbank, on account of the improvement in the exchange situation, has been able itself to rediscount to a greater extent than was originally anticipated.

The report of the First Committee of Experts on the reparation question, which appeared in April 1924, recommended, as necessary conditions for the economic rehabilitation of Germany, the establishment of a new bank of issue and the flotation of a foreign loan for the purpose *inter alia* of strengthening the gold cover for the new notes. The scheme of currency re-organisation contained in this report was approved with slight modifications by the London Conference in the summer of 1924. An organising committee, one of the members of which was the President of the Reichsbank, had, in the meantime, been appointed " for the purpose of taking preliminary steps for the corporate organisation of a bank of issue in Germany". This committee proposed the maintenance of the Reichsbank after re-organisation in conformity with the recommendations of the Committee of Experts.

Re-organisation of the Reichsbank.

The necessary legislation providing for the re-organisation of the Reichsbank and the unification of the currency by liquidation of the Rentenbank was passed on August 30th, 1924, the draft laws having been submitted to the Reparation Commission for approval. After the flotation of the proposed foreign loan of 800 million goldmark, the new legislation was put into force as from October 11th, 1924. This legislation involved the liquidation of the Gold Discount Bank, all the shares of which have been taken over by the Reichsbank in exchange for new Reichsbank shares. The Gold Discount Bank ceased to publish balance sheets from January 1st, 1925. The credit of five million pounds received from the Bank of England for the purpose of paying its A-shares was repaid by the Reichsbank at the end of April 1925.

The transformation of the Reichsbank was legally effected by an amendment of the Bank Law of March 14th, 1875. The fundamental character and functions of the Bank remain unchanged, but it has been made independent of the Government. It is to continue to operate as a bankers' bank and as practically the sole bank of issue with the main function of regulating the supply of currency and credit.

According to the new law, the capital of the Bank must amount to at least R.M. 300 millions, and may not exceed 400 millions. At a general meeting of the old Bank on October 4th, 1924, it was decided to convert the old capital of 180 million *Mark* into 90 million *Reichsmark* (new currency) by issuing one new for two old shares to the existing shareholders. At the same time, the Managing Board was authorised to increase the capital up to the above minimum limit under the new law, and in January 1925 the capital was increased to R.M. 122,788,000 by the issue of shares to the value of R.M.32,263,000 to the shareholders of the Gold Discount Bank in exchange for the B-shares of that Bank and R.M. 525,000 to the shareholders of the " Schleswig-Holsteinische Girobank " against full payment in foreign exchange. All further shares issued are to be paid for exclusively in gold or foreign exchange.

The organisation of the transformed Reichsbank is analogous to that of the old. The general administration is in the hands of a *Managing Board* (*Reichsbanksdirektorium*) consisting of the President of the Bank and such number of other members as may be required. This body, all members of which must be German nationals, decides in particular the currency, discount and credit policy of the Bank. It may submit its plans or proposals to the General Council for an opinion, but this is not obligatory. The members of the Managing Board are appointed for twelve years by the President on the approval of the General Council.

The *General Council* (*Generalrat*) is composed of 14 members, of whom 7, including the President, must be German nationals and 7 foreigners (one national of each of the following States: United Kingdom, France, Italy, Belgium, United States, Netherlands and Switzerland, including the Commissioner for the note issue). The General Council may increase the number of its German members by a unanimous vote. The term of office of the members, excepting the President and the Commissioner, is for three years. The German members are elected by the German shareholders. The first foreign members are appointed by the Organisation Committee. In the future they will themselves elect the new foreign members of the Council.

The main functions attributed to the General Council are: (1) to elect, subject to the approval of the Reichs-President, its chairman, who is also chairman of the Managing Board, the President of the Bank, and its Managing Director; (2) to elect the Commissioner for the note issue; and (3) to approve the appointment of the members of the Managing Board.

The President must be elected by a majority vote of nine members, six of whom must be German; the Commissioner for the note issue by a majority vote of nine members, six of whom must be foreign. Apart from such control over the Bank as the General Council may exercise through its electoral powers, its functions under the law are advisory, its formal assent not being legally required with regard to any decision of the Managing Board.

This is true also with regard to the permanent *Central Committee* of the shareholders (*Zentralausschuss*), consisting of representatives of banking, industry, trade and agriculture and elected by the German shareholders.

The Commissioner for the note issue has no control over the administration or the policy of the Bank. His function is to supervise and enforce compliance with the prescriptions of the law in regard to the issue of notes and the reserves. He has the right to be present at the meetings of the Managing Board.

Of the annual *net profits*, 20 % shall be carried to a reserve fund as long as the amount thereof is less than 12 % of the average note circulation of the Bank during the preceding six months. The shareholders are entitled to an annual dividend of 8 %. The remaining balance of the net profits has to be distributed as follows: 50 % of the first 50 million reichsmark falls to the Reich and 50 % to the shareholders; 75 % of the next 50 millions falls to the Reich and 25 % to the shareholders, of the remainder, if any, 90 % falls to the Reich and 10 % to the shareholders. The amounts so allotted to the shareholders may be paid out as an additional dividend or may be allotted to a dividends equalisation fund.

The provisions of the new Bank Law in regard to the operations of the Bank are dealt with in detail below in the various sections on advances, circulation, etc.

Liquidation of the Rentenbank.

On August 30th, 1924, a law was passed for the liquidation of the circulation of the Rentenbank bank notes, which came into force on October 11th. From this later date the Rentenbank was not allowed to issue any new notes or undertake any new business and had to concentrate on the liquidation of its outstanding circulation. As will be seen from the table on page 67 above, the notes issued amounted to about 2,000 million rentenmark. The capital could therefore be reduced to that figure. According to the liquidation law this was done by releasing industry, commerce and banking completely from the charge under the original Rentenbank Law and raising the mortgages imposed on agriculture from 4 % to 5 % of the value of the property mortgaged. At the same time, the interest was reduced from 6% to 5 %. Under the new regulations the Rentenbank mortgage has been effectively extended over the occupied districts.

It will be noted from the table on page 67 above that the note issue on September 30th, the date of the last balance sheet under the original regulations, represented 1,200 millions loaned directly to the Government, 870 millions loaned to the Reichsbank and the private banks of issue, and 6 millions granted, through the intermediary of the Government, for agricultural purposes, this last item being amalgamated later with the other loans for productive purposes and made subject to the same provisions.

All Rentenbank notes have to be withdrawn and redeemed in legal tender currency by the Reichsbank within not more than ten years from the coming into force of the Liquidation Act. For the redemption of the 1,200 millions rentenmark notes corresponding to the Government indebtedness to the Rentenbank, a special sinking fund is to be formed at the Reichsbank in the following manner:

(*a*) From October 1st, 1924, the Rentenbank shall transfer to the sinking fund at the Reichsbank all the monies to be received from the mortgages (5 % per annum).
(*b*) From January 1st, 1925, the Reich shall transfer to the sinking fund 60 million rentenmark annually in equal quarterly instalments;
(*c*) All the government's share of the profits of the Reichsbank shall be allocated for this purpose.

If the Rentenbank payments under (*a*) exceed 60 million rentenmark in any year, the Reichsbank shall set aside 25 millions from the surplus and place it at the disposal of an agricultural credit institute to be formed with the approval of the Rentenbank and the Government. Any other surplus funds the allocation of which is not determined in the Liquidation Act may be used for this or similar purposes.

A bill concerning the establishment of the above institute under the name *"Die Deutsche Rentenbank-Kreditanstalt"* was submitted by the Government in March 1925.

The 870 million rentenmark issued to the Reichsbank and the private banks of issue had been lent in the main to agriculture. Owing to the agricultural crisis it proved necessary to extend the period for the liquidation of these credits over three years, from December 1st, 1924. Redemption is to be effected in equal annual instalments. The Reichsbank and the private banks of issue may hand over to the Rentenbank rentenmark bills for an amount corresponding to the loans received from the Rentenbank, which thus become extinct, the liquidation of the bills to be effected by the Rentenbank. This bank

shall hand over to the Reichsbank for destruction all rentenmark notes received in the process of closing the credits. In so far as the repayment of the credits is not made in such notes, the Rentenbank shall hand over a corresponding sum in legal tender to the Reichsbank, which has to withdraw from circulation and destroy a corresponding sum in rentenmark notes. At the end of December 1924 the Reichsbank had paid off 343 million rentenmark, of which 100 millions in rentenmark notes and 243 millions in rentenmark bills, on its 800 million debt to the Rentenbank. By the end of May 1925 the whole of this debt had been repaid.

On completion of the redemption of the rentenmark credits and when 1,200 million rentenmark have been paid into the Redemption Fund for the Government debt, but at the latest after 10 years from the coming into force of the law, the Rentenbank shall, with six months notice, call in for exchange at the offices of the Reichsbank against legal tender any rentenmark notes still in circulation. Should the Redemption Fund be inadequate to effect this redemption, the Rentenbank must place the requisite sums at the disposal of the Reichsbank, the Reich to incur the liability for this obligation. After the completion of the withdrawal of the rentenmark notes the Rentenbank shall go into liquidation.

Balance sheets of the Reichsbank.

Until the reconstruction of the Reichsbank, the balance sheets were drawn up in paper mark, the accounts in rentenmark or goldmark, with the exception of the gold reserve, being converted at the rate: 1 billion (*i.e.* 12 zeros omitted) paper mark = 1 goldmark. With the introduction of the rentenmark, however, the old paper mark accounting lost all practical importance, the " billionmark " being considered as the real unit. Although the Bank's accounts are shown in gold marks in Table 17, the transformation of the Bank's balance sheets on to a uniform goldmark basis did not actually take place until October 15th, 1924.

Metallic reserves.

Since March 1922 the Reichsbank has been empowered to count as part of its gold reserve gold deposited with foreign central banks on the condition that it is at the free disposal of the Bank. In the balance sheets, gold held as collateral against credits abroad is included under sundry assets and the credits under sundry liabilities. Of the reduction in 1923 of 538 million goldmark in the Bank's reserve shown in Table IV (Vol. I), gold sales accounted for 367 millions, and pledging abroad for 171 millions[1]. The gold sales appear to have been stopped by the end of September 1923, whereas certain additional sums were still pledged in the first half of 1924. On the other hand, the increase in the reserve in the second half of that year seems to have been due largely to the release of amounts previously pledged. The gold purchases abroad were made partly in Sweden, where the embargo on the gold exports was lifted from April 1st, 1924.

Until the end of 1920 the figures for the gold reserves of the private banks of issue given in Table IV (Vol. I) comprise a small fraction of token coins.

The token money held by the Reichsbank at the end of 1913 was mainly silver. On account of the depreciation of the mark, silver coins disappeared from circulation during the war. They were subsequently demonetised — the two-mark pieces by a decree of July 12th, 1917, and the remaining silver coins by a decree of April 13th, 1920 — and replaced by small notes and aluminium, zinc and iron coins. Since then and up to the last months of 1924, therefore, the amounts in group I (*b*) of Table 10 above do not include any silver coins. Since their demonetisation these coins have been entered in the balance sheets at their bullion value in paper mark and included under sundry assets. The balance sheet value and the gold value, according to the dollar exchange of the Bank's stock of silver bullion, have been as follows:

(000,000's omitted.)

End of	Paper mark	Gold mark
1920	1,485	90.8
1921	1,381	30.0
1922	1,288	0.7
1923	2,609,666,000,000	2.6
1924	(0.8)	0.8

[1] The movements in the Reichsbank's gold reserve from 1913 up to the end of 1923 are commented upon in detail in the *Memorandum on Central Banks* 1913 and 1918-23, pages 188-189.

In 1921 practically the whole stock was transferred abroad as security for credits granted to the Reichsbank by American, Dutch, Swedish, Danish and Swiss banks and was subsequently sold.

Foreign assets of the Reichsbank. — Exchange policy.

Before its re-organisation in 1924 the Reichsbank did not show separately the amounts standing to its credit on current account with foreign banks. But the annual reports contained one item, " Balances with correspondents", which was replaced in the report for 1924 by " Balances in foreign currency " and would therefore appear to have represented mainly foreign balances. It is shown as such in Table VI (Vol. I) and Table 10 above. From 1914 until the end of 1923 the Reichsbank did not show its holdings of foreign bills separately from its inland discounts. They are now shown separately in the annual but not in the weekly statements, where the greater part of the foreign balances is included under "Sundry assets ". The exchange holdings (*Devisen*) shown separately in the weekly returns since the re-organisation of the Bank constitute only that portion which may be included in the gold cover for the notes and represent therefore invariably one-third of the Bank's gold reserve. This applies also to the returns of the private banks of issue, the note issue of these banks being subject to the same regulations as that of the Reichsbank.

A summary of the principal decrees and regulations governing transactions in foreign exchange issued up to the end of 1923 was given in last year's *Memorandum on Currency*. Under these regulations such transactions as were permitted had to be conducted at the official Berlin rates of exchange, and all purchases of foreign currency were centralised under the control of the Reichsbank. Since November 20th, 1923, the official Berlin rate on New York has been kept stable at 4.2 " Billionmark " to the dollar. But this stability was artificial. The New York rate on November 26th, 1923, was 6.99 billionmark to the dollar, although it fell to and even below the Berlin rate during December; it depreciated again in January and fluctuated considerably during the first five months of the year, as an inspection of Table I (Vol. I) shows. The demands on the Reichsbank for foreign currency had during the whole of this period to be severely rationed, sometimes even down to 1 %. But with the severer credit control introduced in April and consequent forcing of hoarded foreign currency into the market, the return of a certain proportion of the German capital held abroad and the foundation of the Gold Discount Bank, the situation improved, so that by the beginning of June the rationing of exchange could be abandoned. The main influx of foreign and repatriated domestic capital, however, came in the late summer and autumn months — more especially after the successful flotation of the 800 million goldmark reconstruction loan.

With a view to checking excessive borrowing abroad, a decree was issued on November 1st making the raising or guaranteeing of foreign credits by the States or municipalities subject to the consent of the Minister of Finance. In its report for 1924, the Reichsbank, when discussing its reserve position, draws attention to the fact that it will have to meet certain demands for foreign currency required for the repayment of foreign credits used for internal operations and not resulting in counterbalancing claims on foreign countries.

Most of the exchange regulations were abolished by decrees of October 31st and November 8th, 1924, only those enforcing the official exchange rates (*Einheitskurszwang*) and prohibiting transactions in futures (*Termingeschäft*) being maintained.

Discounts, loans and advances and investments of the Reichsbank. — Credit policy.

Immediately after the outbreak of war, the Bank Act was so amended as to admit Treasury bills, in addition to the commercial bills, as supplementary cover for note circulation. Up to then the Treasury bills discounted had been shown under securities in the annual reports of the bank, but after this amendment they were merged with the commercial bills into a common group under the heading " Bills, cheques, and discounted Treasury bills". Treasury bills were not shown separately until 1921, at the end of which year they represented more than 99 % of the total of the bills in the portfolio. The use of the commercial bill ceased nearly entirely in Germany during the war and was not re-adopted until the middle of 1922. The bill holdings shown by the Bank for the years 1918–1920 consisted therefore almost wholly of Treasury bills. According to the principles followed in the present Memorandum, the Treasury bills discounted are shown as advances to the Government. For the years 1918–1920, therefore, the total bill holdings, as shown in the annual reports of the Bank, although they may include a small portion of commercial bills, are given in group VI (*a*) of Table 10.

After the summer of 1922, when the Reichsbank began to propagate the re-adoption of the commercial bill as an instrument of payment, this came gradually back into favour. With the increase in the velocity of the turnover of deposits and simultaneous attrition of these deposits resulting from inflation, rediscounts with the Reichsbank, whose rates were kept low in the beginning, developed rapidly. A more restrictive policy was subsequently adopted by the Bank, and the rate of discount was repeatedly increased. The commercial rediscounts, together with the discounts of Treasury bills, constituted the main cover for the note circulation. Their expansion in 1923 up to the introduction of the rentenmark was as follows:

Mark (000,000's omitted).

End of	Treasury Bills	Commercial Bills
December 1922	1,184,464	411,774
March 1923	4,552,012	2,372,102
June 1923	18,338,177	6,914,199
September 1923	45,216,224,362	3,660,094,270
October 1923	6,578,650,938,818	1,058,129,855,523
Nov. 15th, 1923	189,801,468,187,415	39,529,577,253,768

Since December 23rd, 1923, when the Treasury Bills discounted had been redeemed, the Bank has made no new advances to the Government. The Treasury bills, however, did not represent the only State debt to the Reichsbank. For during 1923 the Government borrowed considerable amounts of foreign exchange for the purpose of supporting the mark exchange in connection with various actions on account of the occupation of the Ruhr district. The Government indebtedness in foreign currency arising from these operations was not shown separately by the Bank. Its balance sheet value at the end of 1923 and the first quarters of 1924, therefore, is not known. By a Convention between the Government and the Bank which was concluded on July 5th and came into force on October 11th, 1924, however, the debt was fixed at R.M.235.5 millions, of which R.M.100 millions were transformed into a permanent loan at 2 %, granted to the State in exchange for the privilege of note issue, repayable only at the cancellation of that privilege and not before October 1st, 1974. The remaining 135.5 millions were converted into a loan at 3 % repayable in equal annual instalments over a period of 15 years from January 1st, 1925. The claims on the Government under this arrangement are entered in the balance sheet for December 31st, 1924 (and in group V (*a*) of the corresponding statement in Table 10 above) at R.M.143.7 millions, representing the present value of the instalments due discounted at the current Bank rate.

For the privilege of note issue the Reichsbank also became liable for the redemption of the dollar Treasury bills (252 million gold mark) due for payment in April 1926. According to a statement in the report of the organising committee for the new Bank, the hidden reserves of the Reichsbank to which the Reich would have become entitled, should it have decided to exercise its right to acquire the shares of the Bank, were sufficient to cover these obligations. The liability for the dollar Treasury bills included under the sundries in group XVI of Table 10 is shown in the balance sheet for December 31st, 1924, at R.M.234 millions. On the other hand, the Bank's holdings of such Treasury bills are included in its balance sheet in its securities proper (*eigene Wertpapiere*) given under V (*b*) in Table 10. According to § 21, 4, of the Bank Act the Reichsbank is permitted to buy for its own account bearer obligations or guaranteed stock of the Reich, States or municipalities only in so far as it is necessary for the maintenance of the ordinary business relations with customers of the Bank.

According to § 25 of the Bank Act, the Reichsbank, which shall serve as the fiscal agent of the Reich, may grant to the Government credits for working capital up to 100 million reichsmark for not more than three months; but there must be no Government indebtedness to the Bank at the end of the financial year. Moreover, the Bank may grant credits up to 200 million reichsmark to the Post-office and railways. With these exceptions the Reichsbank must not extend any credit directly or indirectly to the Reich, State or municipalities or to any foreign Government.

Although the Reichsbank did not make use of its credit with the Rentenbank until the end of January 1924, it started in the beginning of December 1923 to grant rentenmark credits, specially utilising the rentenmark notes originating mainly from the Rentenbank's advances to the Reich, which notes soon flowed into the Bank in large quantities, partly in repayment of the Treasury bills. The development of the credits granted by the Bank since the currency stabilisation in November 1923 was as follows:

(000,000's *omitted*)

End of	Bills and cheques			Advances on collateral			Total discounts and advances		
	in rentenmark	in paper (billion) mark	Total	in rentenmark	in paper (billion) mark	Total	in rentenmark	in paper (billion) mark	Total
November 1923	—	347.3	347.3	—	7.5	7.5	—	354.8	354.8
December »	15.2	307.5	322.7	127.0	141.3	268.3	142.2	448.8	591.0
January 1924	367.5	388.4	755.9	197.8	138.7	336.5	565.3	527.1	1,092.4
February »	667.2	498.4	1,165.6	185.1	121.5	306.6	852.3	619.9	1,472.2
March »	1,096.3	671.1	1,767.4	114.8	28.4	143.2	1,211.1	699.5	1,910.6
April »	1,144.6	772.4	1,917.0	132.1	24.3	156.4	1,276.7	796.7	2,073.4
May »	1,137.1	817.8	2,054.9	108.5	20.1	128.6	1,245.6	837.9	2,183.5
June »	1,057.6	840.4	1,898.0	87.0	21.8	108.8	1,144.6	862.2	2,006.8
July »	973.0	825.1	1,798.1	49.3	13.2	62.5	1,022.3	838.3	1,860.6
August »	1,052.1	808.7	1,860.8	45.1	14.9	60.0	1,097.2	823.6	1,920.8
September »	1,233.6	936.1	2,169.7	40.0	14.4	54.4	1,273.6	950.5	2,224.1
	Reichsmark (000,000's omitted)								
October 1924			2,339.7			33.4			2,373.1
November »			2,290.2			18.6			2,308.8
December »			2,051.4			17.0			2,068.4

It will be noted that the rentenmark credits granted by the Reichsbank very much exceeded the loan of 800 million in rentenmark notes received from the Rentenbank, which was used almost exclusively for the discounting of agricultural bills subsequently handed over to the Rentenbank in repayment of the loan. The Reichsbank's own rentenmark credits were extended to industry and trade, and more especially to undertakings working for export, as were also the credits in paper mark.

In March 1924 the rapid increase in the credits granted and especially the rentenmark discounts became alarming. The fall in the value of the mark abroad was taken as a sign of a new inflation, and in April the Reichsbank began to restrict credits. The effect of this policy on the exchange market has been mentioned in a preceding section. The credit restrictions had also a marked effect on prices, as the hoarded goods were forced on to the market. In the summer the Reichsbank was again able to loosen the restrictions and as a special facility to the export trade the rate of discount of the Gold Discount Bank was lowered from 10 to 8 %. The Reichsbank rate, which had remained at 10 % since the middle of November 1923, was lowered to 9 % at the end of February 1925.

By paragraph 21 of the Bank Act the Bank is authorised:

> to discount, buy and sell bills of exchange, with a currency of less than three months, and cheques bearing at least three names of known solvency. The requirements of the third signature may be dispensed with provided satisfactory collateral is substituted; but such bills must not exceed one-third of the total bills held. All bills shall relate to *bona-fide* commercial transactions or to goods;
>
> to grant interest-bearing loans for not more than three months against collateral (*Lombard*) of :
>
> Gold and silver;
>
> Certain specially defined stocks and debentures;
>
> Bearer obligations of the Reich, a German Land, or a domestic communal corporation, or obligations guaranteed by the Reich or a Land, up to 75 % of their market value. The maturity of these obligations must not exceed one year and the loans guaranteed by them may be granted to banks of known solvency only;
>
> Interest-bearing bearer obligations of foreign States and State-guaranteed railway debentures up to 50 % of their market value;
>
> Bills of exchange with a discount of at least 5 %;
>
> Merchandise stored in Germany up to two-thirds of their value.

The Bank may, with special authorisation of the General Council, take as collateral long-term obligations of the Reich for loans maturing in not more than three months if, in addition to the collateral, two guarantors are found, one to be a bank carrying on business in Germany; but such loans secured by long-term Government obligations must not exceed the paid-up capital and the reserve fund of the Bank. No such advances were outstanding at the end of 1924.

Circulation of notes and coins.

According to the pre-war regulations concerning the note issue of the Reichsbank, at least one-third of the notes in circulation had to be covered by a reserve consisting of:

(*a*) " Current " German coins (not only gold coins but also token money);
(*b*) Gold in bullion and foreign gold coins;
(*c*) Treasury notes (*Reichskassenscheine*).

The portion of the note circulation not so covered had to be fully covered by first-class commercial bills. On the other hand, if the portion of the note circulation which was not covered by the above enumerated assets and by notes of other banks exceeded 550 (at end of a quarter 750) million mark, the bank had to pay a tax to the Government on the excess amount.

After the outbreak of war, the Bank Act was amended in such a way as to admit Loan Bureau notes (*Darlehnskassenscheine*) as " metallic " cover and Treasury bills as supplementary cover for the note circulation. Moreover, the tax on the note circulation was abolished. On May 9th, 1921, the regulation that at least one-third of the note circulation had to be fully covered by gold, current German coin, Treasury notes and Loan Bureau notes was likewise suspended.

Finally, from November 1st, 1923, the Reichsbank was authorised to include as cover its holdings of Rentenbank notes and pledged bills. The legal limits to the quantity of notes which the private banks of issue had the right to put into circulation were likewise modified from time to time since July 1921[1].

In order to arrive at the net circulation shown in Table III (Vol. I), the amounts of other currencies held by the Reichsbank as cover for its own notes have been deducted. These holdings are shown in group II of Table 10 and were composed as follows:

Mark (000,000's omitted).

	1913	1918	1919	1920	1921	1922	1923
Loan Bureau notes .	—	5,263.3	10,993.3	23,372.4	6,863.4	238,472.6	9,304,200,000,000
Treasury notes . .	46.2	2.9	31.9	44.–	100.2	8.5	
Notes of other banks	12.8	2.9	2.–	1.6	2.1	10.4	33,000,000,000
Rentenmark notes .	—	—	—	—	—	—	192,928,100,000,000
	59.–	5,269.1	11,027.2	23,418.3	6,965.7	238,491.5	202,265,300,000,000

The figures in billionmark and reichsmark given for the end of 1923 and the various quarters of 1924 were composed as follows:

(000,000's *omitted*).

End of	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Rentenbank notes	192.9	225.4	278.2	222.5	145.1
Loan Bureau notes	9.3	4.1	0.7	0.3	0.2
Notes of other banks	—	—	—	—	7.7
Total . .	202.2	229.5	278.9	222.8	153.0

Almost all the Loan Bureau notes issued have been held by the Reichsbank. At the end of 1923 both these notes and the Treasury notes disappeared entirely from the effective circulation.

The circulation figures given in Table III (Vol. I) do not present a completely exact picture of the currency situation in Germany up to the provisional currency reform in November 1923. In addition to the notes of the Reichsbank and private banks of issue and Reichs- and Darlehnskassenscheine, there have been in circulation since the beginning of the war varying quantities of emergency currency. This emergency currency increased considerably during the second half of 1922 subsequent to the law of July 17th, which enforced the withdrawal within a period of three months of all existing emergency

1 For details see *Memorandum on Currency*, 1913–1923, page 105.

currency and empowered the Minister of Finance or his nominee, in conjunction with the local authorities, to grant special permits for the printing and issue of such currency in the future. Permits were given not only to municipalities but also to private firms.

In addition to this local currency, iron, zinc, copper and aluminium coins were put into circulation in 1916 and subsequent years, in part to replace the silver currency which gradually disappeared from circulation and was finally demonetised on April 13th, 1920. The two-mark pieces had already been demonetised on July 12th, 1917, and the 25-pfennig nickel pieces in 1918. All metal coins, however, disappeared from circulation during the second half of 1922. The amount of coins retained in circulation in 1913 and at the end of the subsequent years up to 1922 has been officially estimated as shown on the opposite page.

MONETARY CIRCULATIO

(IN MILLIONS

ISSUES	1923						
	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 29	March 31	April 30
I. Paper Mark [1]:							
Reichsbank notes	144.6	400.2	496.5	483.6	587.9	689.9	777.0
Private bank notes	0.4	0.1	0.1	0.1	0.0	0.0	0.0
Railway emergency money	25.7	114.8	109.0	64.6	51.1	26.6	8.0
Other legal emergency money	5.5	3.4	2.3	1.9	1.4	1.0	0.6
Total I	176.2	518.5	607.9	550.2	640.4	717.5	785.6
II. Fixed value currencies:							
Rentenmark [2]	—	598.2	1,049.1	1,196.3	1,563.8	1,760.3	1,708.8
Gold loan scrip [3]	78.0	216.4	240.0	240.0	207.9	146.6	111.0
Railway emergency currency	—	35.4	141.9	144.2	144.2	123.6	93.2
Emergency currency covered by gold loan scrip	46.1	216.2	234.7	146.0	71.4	50.4	41.4
Total II	124.1	1,066.2	1,665.7	1,726.5	1,987.3	2,080.9	1,954.4
Total I and II	300.3	1,584.7	2,273.6	2,276.7	2,627.7	2,798.4	2,740.0
III. Coin	—	—	—	1.0	5.8	25.9	85.2
GRAND TOTAL.	300.3	1,584.7	2,273.6	2,277.7	2,633.5	2,824.3	2,825.2
Circulation in 1913 (6,070) = 100	*4.95*	*26.11*	*37.46*	*37.52*	*43.39*	*46.53*	*46.54*

[1] Circulation figures up to end of September 1924 converted at the Berlin dollar rate on the date of the statement.
[2] Excluding amounts deposited at the Reichsbank.
[3] Small denominations.

Mark (000,000's omitted).

Average of 1913 . . .	3,700	End of 1917	210
End of 1914 . . .	2,840	» 1918	170
» 1915 . . .	1,690	» 1919	110
» 1916 . . .	880	» 1921	470

According to an estimate by the Reichsbank, the unsanctioned emergency currency not included in Table III (Vol. I) amounted at the end of 1923 to 400–500 trillion (18 zeros omitted) mark, presumably including about 180 trillion issued in the occupied districts.

Before November 1923 certain fixed-value currencies (*wertbeständiges Geld*) had been issued in the form of Government gold loan scrip of small denominations, and emergency currency covered by gold loan scrip.[1] Such currency, however, was not accepted by the Reichsbank. The total monetary circulation in terms of gold marks since the end of October 1923 has been as follows:

GERMANY

MARK)

1924								1925		
y 31	June 30	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 28	March 31
26.9	1,097.3	1,211.0	1,391.9	1,520.5	1,780.9	1,863.2	1,941.4	1,901.3	2,106.2	2,308.0
0.0	0.0	0.0	0.0	0.0	2.6	58.1	114.4	132.1	140.6	141.4
3.5	—	—	—	—	—	—	—	—	—	—
0.6	—	—	—	—	—	—	—	—	—	—
31.0	1,097.3	1,211.0	1,391.9	1,520.5	1,783.5	1,921.3	2,055.8	2,033.4	2,246.8	2,449.4
28.5	1,771.6	1,803.4	1,832.4	1,853.1	1,715.1	1,677.4	1,835.1	1,780.4	1,736.1	1,611.2
24.0	—	—	—	—	—	—	—	—	—	—
70.6	55.5	38.1	19.9	7.2	—	—	—	—	—	—
35.0	9.5									
18.1	1,836.6	1,841.5	1,852.3	1,860.3	1,715.1	1,677.4	1,835.1	1,780.4	1,736.1	1,611.2
79.1	2,933.9	3,052.5	3,244.2	3,380.8	3,498.6	3,598.7	3,890.9	3,813.8	3,982.9	4,060.6
8.5	194.7	247.2	290.5	326.8	327.8	356.8	383.0	395.7	407.7	418.0
7.6	3,128.6	3,299.7	3,534.7	3,707.6	3,826.4	3,955.5	4,273.9	4,209.5	4,390.6	4,478.6
8.07	*51.54*	*54.36*	*58.23*	*61.08*	*63.04*	*65.16*	*70.41*	*69.35*	*72.33*	*73.78*

[1] For further details see *Memorandum on Currency*, 1913–1923, page 108.

The various forms of emergency currency were gradually withdrawn in the course of 1924, and by the time of the Reichsbank re-organisation all fixed-value emergency notes had disappeared from circulation.

The attempt to introduce a gold currency simultaneously with the rentenmark embodied in the decree of November 1st, 1923, under which the Reichsbank and the private banks of issue were authorised to issue gold mark notes (against a 33 ⅓ cover in gold or gold exchange), and gold or gold exchange certificates [1] did not become of practical importance, as no such notes or certificates were issued. Pending the final currency reform the Reichsbank continued to issue paper mark notes, the billionmark, equivalent to the gold mark on the domestic market, being in practice considered as the transitory unit.

Currency legislation of 1924.

The new currency regulations which came into force in connection with the re-organisation of the Reichsbank is contained in the Bank Act, the Private Note Bank Act and the Coinage Act, which are all dated August 30th, 1924.

The Reichsbank has the exclusive right for 50 years to issue bank notes which with gold coins are unlimited legal tender. The note-issue rights of the four so-called Private Banks of Issue — the Bayrische Notenbank (München), the Sächsische Bank (Dresden), the Würtembergische Notenbank (Stuttgart) and the Badische Bank (Karlsruhe) — remain unaffected, but the Government has the right to withdraw these rights without compensation at the earliest on January 1st, 1935, subject to one year's notice, or to prolong them for ten-yearly periods. The notes of these banks are only to be in denominations of 50 or 100 reichsmark or a multiple thereof, whereas the Reichsbank notes may be made out in denominations down to 10 reichsmark and, subject to the consent of the Government, even less. The aggregate note issue of the private issue banks must not exceed 194 million reichsmark, or 70 million each for the Bayrische Notenbank and the Sächsische Bank and 27 million each for the Würtembergische Notenbank and the Badische Bank. Moreover, pending the liquidation of the Rentenbank, the private bank note circulation must not exceed 8.5 % of the average circulation of Reichsbank notes during the last quarter.

The private bank notes are not legal tender; but they are accepted in payment to their full value at the Reichsbank in Berlin and a number of its branches. As long as compulsory redemption in gold or foreign exchange or notes remains suspended, the Private Issue Banks must redeem their notes on demand in Reichsbank notes. The provisions of the Private Note Bank Act in regard to gold and exchange cover for notes and deposits, redemption of the new notes, value and withdrawal of the old notes, etc., are the same as those laid down in the Bank Act, paragraphs 28, 29 and 35 of which read as follows:

§ 28.

The Bank is compelled to keep at all times in respect of its notes in circulation:

(*a*) A cover of at least 40 per cent in gold or "devisen" (gold cover), of which not less than three-quarters shall be in gold.

The expression "gold", within the meaning of this direction, connotes bar gold as well as German or foreign gold coins (the pound fine being calculated at 1,392 reichsmark) in so far as such gold is in the possession of any office of the Bank or deposited with any foreign central Note Issuing Bank in a manner to be at all times at the free disposal of the Reichsbank.

"Devisen" are banknotes, or bills of exchange having not more than 14 days to run and cheques and claims due from day to day payable in foreign currency by a bank of known solvency in foreign financial centres. They are to be taken at their gold value for the time being;

(*b*) For the remaining amount discounted bills of exchange or cheques satisfying the requirements specified in paragraph 21. [See page 74 above.]

§ 29.

In exceptional circumstances the cover referred to in § 28 under (*a*) may be reduced on the proposal of the Managing Board by a resolution of the General Council; such a resolution of the General Council requires unanimity except as to one vote.

In the case of such a reduction of the cover extending over more than one "Bank return week", the Bank has to pay to the Reich, in respect of the amount by which the prescribed cover of 40 % falls short, a percentual note tax computed in accordance with the following directions:

In the case of a cover between	37	and	40 %	—	3 %	per annum.
» » »	35	»	37 %	—	5 %	»
» » »	33⅓	»	35 %	—	8 %	»

In the case of a cover less than 33 ⅓ % — 8 % per annum, with the addition of one per cent per annum in respect of each one per cent by which the percentage of the reserve falls short of 33 ⅓ %.

The rate of discount must, in any case in which the cover during a "Bank return week" or during a longer period remains uninterruptedly below 40 %, amount to at least 5 %.

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[1] For further details see *Memorandum on Central Banks*, 1913 and 1918–1923, pages 197–198.

Whenever a Note Tax is payable, the rate of discount shall be raised by at least one-third of the percentage of the tax which is payable, and this increase shall be in addition to the increase of the said rate of discount required for the purpose of satisfying the requirements of the third paragraph of this section.

The above rules apply also to the old Reichsbank notes as long as they have not been withdrawn, a billion mark of these notes being decreed equal to one Reichsmark.

§ 35.

In addition to the cover of its Note issue as provided for in § 28, the Bank shall at all times hold assets in the form of demand deposits in Germany and abroad, cheques on other Banks, bills of exchange running for a period of not more than 30 days, or in loans payable from day to day representing a total amount of not less than 40 % of the Bank's deposit liabilities, other than referred to in § 26.

Paragraph 26, which deals with the Reparation account with the Bank excepted from the above cover regulations, reads as follows:

A separate account will be kept at the Reichsbank for the Reparation payments to be made to the Bank. The relations between the authorised representatives of the Reparation Commission in its capacity of a creditor of the amount standing to its credit of the one part and the Bank of the other part, are merely those existing between a Bank and its customers.

The amount standing to the credit of the Reparation Commission shall not, without the Bank's consent, exceed the amount of 2 milliard Reichsmark.

This account is not shown separately in the balance sheets of the Bank but is included under " sundry liabilities ".

The Reichsbank is under obligation to buy all bar gold offered to it at the fixed rate of 1,392 Reichsmark for one pound fine in exchange for its notes.

The Reichsmark notes will be redeemable, at the Bank's option, in:

(1) German gold coins at their par value;
(2) gold bars in pieces of not less than 1,000 Reichsmark and not more than 35,000 Reichsmark at their value in pure gold;
(3) cheques or orders to pay in foreign currency equivalent in value to the market value of the currency concerned as expressed in gold. The Reichsbank may in such a case charge a commission, which may not, however, exceed the amount representing the share of the amount paid in the course of transmission of large sums of gold to the place of business of the foreign bank concerned, together with interest.

The date when the compulsory redemption of the notes according to the above rules will come into effect is to be determined by the Government after concurrent resolutions of the Managing Board and the General Council of the Reichsbank.

According to § 3 of the Bank Act the Reichsbank had to call in its old notes and exchange them against Reichsmark notes, 1 billion mark of the old issues to be replaced by 1 Reichsmark. By an announcement of March 5th, 1925, the Reichsbank called in all notes issued before October 11th, 1924. They were to remain legal tender up to June 5th, 1925, and to be accepted in payment or exchanged for legal tender at all offices of the Reichsbank up to July 5th, 1925. After that date the old mark notes will no longer be valid or accepted by the Reichsbank.

The German currency unit under the *Coinage Act* is the Reichsmark subdivisible into 100 Reichspfennig. The denominations are for the gold coins: 20 and 10 Reichsmark; for the silver coins: from 1 to 5 Reichsmark; and for the copper and nickel coins: 1, 2, 5, 10 and 50 pfennig.

From 1 kilogram of fine gold shall be struck 139 ½ coins of 20 Reichsmark and 279 coins of 10 Reichsmark. The standard of fineness shall be 900 parts gold to 100 parts copper, as under the old law. Until further notice the old gold coins shall be legal currency. The same applies to the old silver coins struck in pursuance of the " Act concerning the Coining of Reich Silver Coins " of March 20th, 1924, as well as to the " Renten " coins of pfennig denominations struck under the Decree of November 8th, 1923, and the old copper coins. As mentioned in a preceding section, the old silver coins had been demonetised. The silver coins of 1924 referred to above are in denominations of 1 and 3 mark and consist of 500 parts silver and 500 parts copper.

The circulation of token money struck since the end of 1923 is shown at the bottom of the detailed circulation table on pages 76 and 77 above. The aggregate value of the coins in denominations of 5 mark and less must not exceed 20 Reichsmark per head of the population. Silver coins are legal tender for payments up to 20 Reichsmark and the Reichspfennig, Rentenpfennig and old pfennig coins for payments up to 5 Reichsmark.

The coins of nickel, aluminium, iron and zinc minted by virtue of former Acts are demonetised and no longer valid as legal tender. Gold coins will not be put into circulation for the time being.

Table 11.

GREECE

ACCOUNTS	NATIONAL Position in Drachmai		
	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	26.8	54.3	57.0
(*a*) Gold	25.0	53.1	55.7
(*b*) Silver and Token coins	1.8	1.2	1.3
II. Other items of a Reserve or Cash nature	6.0	7.2	9.1
III. Assets in and Claims on Foreign Countries	227.3	1,549.1	1,371.8
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	227.3	1,549.1	1,371.8
IV. Commercial Bills	31.5	35.8	64.4
(*a*) Inland	31.5	35.8	64.4
(*b*) Foreign	—	—	—
V. Securities and Investments	132.9	215.3	187.9
(*a*) Government	122.0	202.9	179.7
(*b*) Other	10.9	12.4	8.2
VI. Loans and Advances	236.8	438.1	754.6
(*a*) to the Government	73.8	181.0	482.1
(*b*) on Government securities	163.0	257.1	272.5
(*c*) Other			
VII. Sundries (including Premises, etc.)	15.1	57.1	187.5
VIII. Total Assets	**676.4**	**2,356.9**	**2,632.3**
LIABILITIES.			
IX. Capital	20.0	20.0	20.0
X. Reserve Funds	13.5	34.6	35.5
XI. Profit and Loss and Dividends Accounts	2.3	4.4	4.3
XII. Notes in circulation	234.5	1,257.8	1,375.3
XIII. Post Bills, Cheques, etc., in circulation	4.3	25.9	30.2
XIV. Current Accounts	73.3	443.3	358.8
(*a*) Government	2.4	163.3	65.6
(*b*) Other	70.9	280.0	293.2
XV. Other Deposits	206.2	376.0	514.2
(*a*) Government	6.5	36.7	60.0
(*b*) Other	199.7	339.3	454.2
XVI. Sundries (including Pension Funds)	122.3	194.9	294.0
XVII. Total Liabilities	**676.4**	**2,356.9**	**2,632.3**

Table 11.

GREECE

BANK OF GREECE

(000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
56.7	56.4	31.4	37.9	38.8	39.4	39.8	39.8
55.8	55.8	30.8	37.2	—	—	—	—
0.9	0.6	0.6	0.7	—	—	—	—
18.0	8.8	36.0	37.1	14.7	31.1	8.3	19.4
256.7	190.7	198.4	877.6	864.6	1,489.5	1,444.2	817.7
—	—	25.0	25.0	25.0	25.0	25.0	25.0
256.7	190.7	173.4	852.6	839.6	1,464.5	1,419.2	792.7
135.8	137.8	263.9	354.6	439.6	583.5	738.9	941.2
135.8	137.8	263.9	354.6	439.6	583.5	738.9	941.2
—	—	—	—	—	—	—	—
211.1	237.5	377.1	357.1	358.1	335.1	328.4	958.0
202.3	227.0	364.1	330.4	326.5	301.3	292.0	926.1
8.8	10.5	13.0	26.7	31.6	33.8	36.4	31.9
2,620.8	3,763.1	5,164.4	6,409.7	6,191.1	6,042.7	6,464.5	5,181.8
2,218.3	3,321.2	4,365.8	5,617.9	5,425.2	5,285.1	5,474.8	4,881.4
402.5	441.9	798.6	791.8	765.9	757.6	989.7	1,300.4
234.1	337.2	443.8	998.8	1,333.3	2,004.0	1,799.1	1,667.9
3,533.2	**4,731.5**	**6,515.0**	**9,072.8**	**9,241.2**	**10,525.3**	**10,823.2**	**10,625.8**
20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
50.0	135.0	220.0	250.0	250.0	265.0	265.0	280.0
6.1	7.8	12.1	15.8	4.4	17.2	4.1	20.4
1,508.3	2,161.2	3,149.4	4,681.2	4,700.5	4,542.3	4,653.8	4,865.9
151.9	98.5	68.2	77.0	131.2	128.6	143.4	91.8
551.8	671.1	957.8	1,373.2	1,234.1	1,742.5	1,902.6	1,668.5
63.8	45.7	—	—	—	—	—	—
488.0	625.4	—	—	—	—	—	—
821.0	1,223.3	1,351.4	1,394.3	1,562.1	1,727.5	1,682.8	1,794.4
96.5	118.7	157.8	175.0	311.0	441.1	412.1	515.8
724.5	1,104.6	1,193.6	1,219.3	1,251.1	1,286.4	1,270.7	1,278.6
424.1	414.6	736.1	1,261.3	1,338.8	2,082.2	2,151.5	1,884.8
3,533.2	**4,731.5**	**6,515.0**	**9,072.8**	**9,241.2**	**10,525.3**	**10,823.2**	**10,625.8**

GREECE.

NOTES.

Metallic and foreign exchange reserves:

The gold deposits abroad were made in September 1922, when 25 million gold drachmai from the National Bank's reserve were transferred to the Bank of England to guarantee certain advances for financing the imports of cereals, etc. Even before the war, however, the gold reserve was of secondary importance as compared with the foreign exchange reserve of the Bank, which formed the principal basis for the note issue regulated by the Law GXMB of 1910. The legal division of the exchange holdings shown in group III (*b*) of Table 11 above and in Table V (Vol. I) were composed as follows:

Drachmai (000,000's omitted).

End of	1913	1918	1919	1920	1921	1922	March 1923	June 1923	Sept. 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Foreign Exchange (bills, balances and credits):														
(*a*) At the free disposal of the National Bank .	72.2	481.–	279.8	256.7	190.7	173.4	269.9	183.1	160.6	152.7	144.1	161.8	139.1	76.3
(*b*) Acquired under Law GXMB of 1910 . . .	155.1	1,068.1	1,092	—	—	—	—	—	—	—	—	—	—	—
(*c*) Bought for the account of the Government, under the Law of April 23rd, 1923 .	—	—	—	—	—	—	—	126.3	18.7	699.9	695.5	1,302.7	1,280.1	716.4
Total .	227.3	1,549.1	1,371.8	256.7	190.7	173.4	269.9	309.4	179.3	852.6	839.6	1,464.5	1,419.2	792.7

The exchange holdings shown under (*a*) in the above statement, which are not subjected to any special regulations and do not form part of the legal note cover, consisted in 1918 and 1920 mainly of claims on the Treasuries of the Allied Powers. These claims, however, were met in the course of 1920, so that since the end of that year the figures given represent only balances with foreign banks including small fractions of foreign bills and time deposits.

The exchange reserve held under the Law GXMB of 1910 and shown under (*b*) in the preceding statement was composed as follows:

Drachmai (000,000's omitted).

End of	1913	1918	1919
Disposable balances with banks	155.1	218.–	—
Greek Government's credits with the Treasuries of the Allied Powers	—	850.1	967.9
Advances to the French armies in Macedonia .	—	—	124.1
	155.1	1,068.1	1,092.–

The balance of 218 million drachmai disposable with foreign banks at the end of 1918 was used up in 1919 on account of the deficit in the trade balance. There were, in addition, 102 million drachmai blocked since the war with certain German and Austrian banks, which credits, as they were not disposable, have been included in other groups of Table 11[1]. The history of the Allied credits, granted to the Greek Government through the intermediary of the National Bank, and of the claims arising from the advances to the French armies in Macedonia, is given in detail on pages 207 and 208 of the *Memorandum on Central Banks*, 1913 and 1918–1923. For political reasons, these credits were stopped by the end of 1920 and have since then not been disposable. The notes issued against them have, therefore, as legal backing a claim on the Greek Government corresponding to the stopped credits. In the State budget these credits are treated as a Government debt to the Bank, and in Table 11 they have been included

[1] Seventy-three million drachmai of this amount, representing an advance to the Greek Government from a German bank through the intermediary of the National Bank, have been included under the Government advances in the table, whereas the remaining 29 millions have been carried to the sundry assets in group VII.

since the above date under the advances to the Government in Group VI (*a*).[1] This also applies to the claims arising from the advances granted on the basis of an Agreement of May 12th, 1919, to provide for the local expenses of the French armies in Macedonia, which advances have remained in suspense since the same date.

The Law GXMB of 1910 is thus inoperative. By a Decree of April 23rd, 1923, however, a new arrangement was made on the same lines as those laid down in that law. This decree authorises the National Bank to issue notes for purchase of foreign exchange for the account of the Government. As the exchange thus bought is utilised, the Bank must withdraw a proportionate quantity of notes from circulation. The exchange bought under this decree constitutes the third item in the above statement showing the composition of the exchange reserve as given in Table V (Vol. I) and Group III (*b*) of Table 11[2]. The increase in these exchange holdings in the last months of 1923 and up to the middle of 1924 was due in part to certain advances granted by the Bank of England in anticipation of the Refugee Settlement Loan, to a doubling of the emigrants' remittances, especially from America, and to the partial release of private exchange hoardings induced by the temporary improvement in the drachma exchange. (See Table I: Vol. I.) The decrease in the exchange reserve in the second half and more especially in the last quarter of 1924 reflects in the main the endeavours of the National Bank and of the Government to maintain the exchange, which then showed an adverse tendency. Under the exchange regulations which were still in force in the first half-year of 1925, 15 % of all exchange derived from transactions with foreign countries had to be ceded to the State, which endeavours to control the exchange market through the intermediary of the National Bank. The Refugee Settlement loan of 10 million pounds was finally raised under the auspices of the League of Nations in January 1925.

Indebtedness of the Government to the Central Bank.

The State debt to the National Bank, *i.e.*, the total of the items V (*a*) and VI (*a*) of Table 11 above, was composed as follows on the various dates given in the table:

Drachmai (000,000's omitted.)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
1. Loan to the State against forced currency (1898) . . .	61.8	52.9	50.9	48.9	46.9	44.9	42.9	42.9	42.9	42.9	41.–
2. State Loan Bonds .	60.2	150.–	128.8	153.4	180.1	319.2	287.5	283.6	258.4	249.1	885.1
Total securities . .	*122.–*	*202.9*	*179.7*	*202.3*	*227.–*	*364.1*	*330.4*	*326.5*	*301.3*	*292.–*	*926.1*
3. "Provisional Loans" to the State. . . .	73.8	55.–	350.6	967.–	1,540.8	1,286.4	1,456.7	1,387.7	1,358.8	1,350.8	395.8
4. Loans to the State .	—	—	—	—	550.–	1,700.–	2,409.–	2,327.3	2,327.–	2,327.–	2,631.5
5. Government debt on account of foreign credits	—	73.–	73.–	801.3	801.3	801.3	801.3	801.3	801.3	801.3	801.3
6. Advances to the French armies in Macedonia	—	—	—	267.–	267.–	309.5	309.5	309.5	309.5	309.5	309.5
7. Advances to the Government for Redemption of Treasury bills	—	—	—	—	—	—	—	—	2.6	224.2	300.9
8. Advances to the Ministry of Food, the Treasury, and the Administration of Transport for special purposes	—	53.–	58.5	183.–	162.1	268.6	641.4	600.4	485.9	462.–	442.4
Total loans and advances . .	*73.8*	*181.–*	*482.1*	*2,218.3*	*3,321.2*	*4,365.8*	*5,617.9*	*5,425.2*	*5,285.1*	*5,474.8*	*4,881.4*
Total State indebtedness . .	195.8	383.9	661.8	2,420.6	3,548.2	4,729.9	5,948.3	5,751.7	5,586.4	5,766.8	5,807.5

[1] See statement on "Government debt on account of foreign credits."

[2] It may be observed that, although this item was included under the advances to the Government in Group VI (*a*) of the table as given in the *Memorandum on Central Banks* 1913 and 1918–1923, the exchange bought was added to the exchange reserve of the Bank in all calculations of exchange cover for notes and sight liabilities, etc.

The loan against forced currency represents the State debt against the old fiduciary note issue of the Bank in conformity with the Law of February 26th, 1898. According to the provisions of this law, the State debt in question is subject to a regular amortisation by 2 million drachmai. With the consent of the International Financial Commission, established in connection with the intervention of the Great Powers in the Greco-Turkish conflict in 1898, this amortisation may cease when the debt has been reduced to 40 million drachmai.

The remaining loans and advances to the Government and other State institutions were granted on varying terms. The provisional loans were generally subject to a higher interest than the other loans (item 4 in the above statement), for the greater part of which certain uniform conditions, implying a regular amortisation by 3 % per annum from December 1st, 1924, were adopted by the end of 1922.[1] A loan of 750 million drachmai granted under a Convention of March 3rd, 1923, and included in the latter item is, however, governed by special provisions, this loan being secured by the yield of a capital levy simultaneously imposed on personal property and real estate possessed in Greece on December 31st, 1922. The proceeds of this levy are to be deposited with the National Bank and used automatically by it for the redemption of this part of the State debt, the surplus, if any, to be used for the repayment of previous loans. For every portion of the debt thus redeemed, an equal amount of banknotes is to be withdrawn from circulation.

On October 16th, 1924, a Convention was concluded between the Government and the National Bank, under which "provisional loans" to an amount of about 650 million drachmai were converted into a funded debt, the bonds of which are held by the National Bank and included in item (2) in the above statement. This loan is subject to interest at 6 % per annum and is to be paid off in 20 years, an arrangement for a regular sinking fund having been made. The sinking fund will be created by the surplus on the revenues placed under the control of the International Financial Commission under the Loan Protocol of Geneva after deduction of the sums required for the service of the Refugee Loan and by the Government's share in the Bank's profits. Another portion of the "provisional loans" was converted into "loans to the State" (item 4 in the above statement), which — with the exception of the outstanding balance of the loan of 750 millions already mentioned — in theory are subject to a regular amortisation of 3 % per annum, although the application of that provision has been postponed for the time being.

The Bank's claims on the Government on account of the notes issued under the Law GXMB o 1910 against German, French, British, American and Russian Government credits not actually disposable as well as against uncompensated advances to the French armies in Macedonia, have already been explained above on page 82 and in the footnote.

The advances to the Government for redemption of Treasury bills represent the only new indebtedness to the National Bank incurred by the State in 1924. Treasury bills called National Defence bills have been sold by the National Bank for the account of the Government under the Laws of April 4th, 1918, and May 30th, 1919. As an additional guarantee, these bills are accepted by the Bank, which thereby has incurred a liability to redeem them in notes if they are not renewed on maturity, as well as to discount them if presented before maturity. The Treasury bills thus accepted and put into circulation by the National Bank are in the present memorandum included under the sundry liabilities in group XVI of Table 11, whereas a corresponding amount of State bonds handed over to the Bank as cover for these bills is included under the sundry assets in group VII of the table. By a Law of December 10th, 1922, the Bank had been given the right, in case Treasury bills were presented for payment, to issue against the bills thus paid a corresponding amount of notes independent of the ordinary limits fixed for its note issue.

Until June 14th, 1924, when the amount of Treasury bills sold reached its maximum (1,914.3 million drachmai), the system of issue of such bills worked smoothly. Since then no new issues have been made, but bills to the value of 300.9 million drachmai were presented during the last six months of the year at the National Bank for redemption in notes and a corresponding indebtedness of the Government to the Bank was created. An amount equal to the Treasury bills redeemed has therefore been deducted from the State bonds under sundry assets and included as an advance to the Government under VI (*a*) in Table 11.

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[1] For further details, see *Memorandum on Central Banks*, 1913 and 1918–1923, page 210.

As these redemptions continued in the early months of 1925 the position became alarming, and on April 12th a law was passed providing for certain protective measures. By this law all direct and indirect taxes and all other State revenues which had been increased by 10 % to provide a sinking fund for the forced loan of 1,600,000 million drachmai of 1922[1], *i.e.*, practically all State revenues, were increased by a further 10 %. The proceeds from this 20 % augmentation of the taxation are to be deposited on a special account with the National Bank. The surplus of the sums thus deposited, after deduction of the amounts required for the service of the forced loan, is to be used for the purpose of reducing the Government floating debt to the Bank resulting from the payment of Treasury bills fallen due, as well as the loans to the State shown as the fourth item in the detailed statement above, with the exception of the 750 million loan of March 3rd, 1923. The conditions as to repayment, etc., of the State floating debt to the National Bank are to be determined afresh each year by agreement between the Minister of Finance and the Bank.

By the same law, the maximum limit for the issue of National Defence bills was fixed at 1,700 million drachmai, corresponding to the amount then in circulation. In case of repayments of such bills, the maximum limit may be reduced by an amount corresponding to the bills repaid. Moreover, the right of the Bank to issue additional notes for the purpose of redeeming such bills was abolished.

Other securities, discounts, loans and advances of the Central Bank:

The securities shown under V (*b*) in Table 11 consist of shares in banks and other undertakings. The ordinary discounts, loans and advances of the National Bank were composed as follows:

Drachmai (000,000's omitted.)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Ordinary bills	17.6	16.1	34.–	72.5	69.–	185.3	178.1	225.–	300.4	421.8	479.–
Agricultural bills	13.9	19.7	30.4	63.3	68.8	78.6	176.5	214.6	283.1	317.1	462.2
Total bills. .	*31.5*	*35.8*	*64.4*	*135.8*	*137.8*	*263.9*	*354.6*	*439.6*	*583.5*	*738.9*	*941.2*
Advances on securities. .	26.3	23.–	27.8	59.6	73.2	210.8	143.3	117.9	112.8	147.7	235.7
Advances on merchandise.	4.7	90.6	94.4	170.6	158.7	340.1	311.9	276.–	206.5	314.9	440.2
Loans and advances against mortgages . .	72.8	66.6	71.3	90.6	116.3	145.3	220.7	243.9	279.2	348.1	407.1
Loans to communes, ports and other legal persons	59.2	76.9	79.–	81.7	93.7	102.4	115.9	128.1	159.1	179.–	217.4
Total loans and advances.	*163.–*	*257.1*	*272.5*	*402.5*	*441.9*	*798.6*	*791.8*	*765.9*	*757.6*	*989.7*	*1,300.4*
Total discounts, loans and advances	194.5	292.9	336.9	538.3	579.7	1,062.5	1,146.4	1,205.5	1,341.1	1,728.6	2,241.6

It will be observed that a very considerable portion of the discounts, loans and advances of the Bank is represented by direct credits to agriculture and other long-term operations. Some of the items in the above statement would appear to include certain more or less indirect credits to the Government and various State institutions not shown separately in the balance-sheets of the Bank.

Note circulation:

From a legal point of view, the pre-war note issue of the National Bank of Greece was of a triple origin: (*a*) the issue for the account of the State (forced currency); (*b*) the issue on a gold exchange basis under the Law GXMB of 1910; and (*c*) the specially authorised issue "for the account of the Bank."

These issues have varied as follows:

[1] For details concerning this loan, see *Memorandum on Currency*, 1913–1923, pages 112–113.

Drachmai (000,000's omitted).

End of	Notes issued for the account of the State	Notes issued in accordance with the Law GXMB of 1910	Notes issued in accordance with the Law of April 23rd, 1923	Authorised note issue for the account of the bank	Notes withheld as cash by the Bank	Actual note circulation
1913	61.8	165.8	—	66.–	59.1	234.5
1914	60.9	153.5	—	66.–	28.3	252.2
1915	58.9	183.5	—	146.–	9.6	378.9
1916	56.9	360.–	—	146.–	8.6	554.4
1917	54.9	678.8	—	146.–	42.8	848.1
1918	52.9	1,170.1	—	146.–	111.2	1,257.8
1919	50.9	1,194.–	—	156.4	26.–	1,375.3
1920	48.9	1,097.3	—	763.4	401.3	1,508.3
1921	46.9	1,097.3	—	1,363.4	346.5	2,161.2
June . . 1922	45.9	1,139.8	—	1,913.4	1,391.1	1,708.–
December 1922	44.9	1,139.8	—	2,513.4	548.7	3,149.4
June . . 1923	44.9	1,139.8	126.3	3,563.4	532.9	4,341.5
December 1923	42.9	1,139.8	699.9	3,523.4	724.8	4,681.2
January 1924	42.9	1,139.8	779.5	3,523.4	892.9	4,592.8
February ,,	42.9	1,139.8	575.3	3,429.9	675.2	4,512.7
March ,,	42.9	1,139.8	695.5	3,429.9	607.6	4,700.5
April ,,	42.9	1,139.8	1,467.7	3,429.9	1,279.1	4,801.2
May . . ,,	42.9	1,139.8	1,440.6	3,429.9	1,440.–	4,613.2
June . . ,,	42.9	1,139.8	1,302.7	3,429.9	1,373.1	4.542.3
July . . ,,	42.9	1,139.8	1,234.9	3,429.9	1,372.4	4,475.2
August . ,,	42.9	1,139.8	1,255.2	3,429.9	1,445.3	4,422.5
September ,,	42.9	1,139.8	1,280.1	3,429.9	1,238.8	4,653.8
October. ,,	42.9	1,139.8	1,050.–	3,429.9	908.8	4,753.8
November ,,	42.9	1,139.8	866.2	3,429.9	652.6	4,826.2
December ,,	40.9	1,139.8	716.4	3,394.9	426.1	4,865.9

The first item — notes issued "for the account of the State" — represents the old fiduciary issue of the Bank, as mentioned above on page 84. Before the war, all notes put into circulation, in addition to this fiduciary issue representing the State debt of 1898 to the Bank, were covered by gold or foreign exchange.

By far the greatest portion of the notes in circulation before the war was issued under the Law GXMB of 1910, Article 8 of which reads as follows:

> "The National Bank of Greece is authorised to issue banknotes for its own account, in addition to the amount which it has the right to issue under existing laws and conventions, for the special purpose of the purchase of gold and foreign exchange at a price not exceeding par, with the obligation of re-selling the total amount of the gold and exchange purchased — the gold at par plus 1 % and the paper at 100.50 for cheques on Paris and at par for exchange of other countries. The banknotes for this purpose, as also the gold exchange purchased, will be carried to special accounts in the assets and liabilities of the National Bank and must always amount to the same sum, the gold and exchange being valued at par."

Of the 165.8 million drachmai of notes circulating at the end of 1913 in accordance with this law, 10.7 millions were issued against gold and 155.1 millions against foreign exchange purchased by these notes. According to the Bank's report for 1920, the gold exchange law functioned normally up to the second half of 1917. On June 30th of that year the note issue, in accordance with the law, amounted to 445 million drachmai, covered as follows:

Balance with foreign banks:

(*a*) Actually disposable	366.6 million drachmai
(*b*) Blocked in Germany and Austria .	28.4 » »
Advances to Allied Governments . . .	50.– » »
Total . . .	445.– million drachmai.

After that date, considerable issues were made against claims of the Greek Government on the Allied Governments as well as against book credits opened by them in favour of the Greek Government. At the end of 1920, when all the claims against which notes had been issued under the gold exchange law had, as already mentioned, ceased to represent disposable assets, the composition of the account was as follows:

Greek Government's credits blocked in Germany		73 million drachmai.
Other credits blocked in Germany and Austria		29 » »
Greek Government's credits with the Treasuries of the Allied Powers (Fr. 380.00 million : £ 7.73 million : $33.24 million: Rb. 3.75 million)	757.3	
Less "difference of exchange"	29.0	728.3 » »
Advances to the French armies in Macedonia		267.– » »
Total		1,097.3 million drachmai

Since the end of 1920 the total circulation, in conformity with the Law of 1910, has, in point of fact, been of a fiduciary character. The increase in this item of 42.5 million drachmai in the first quarter of 1922 represents additional issues against arrears of interest on the advances to the French armies, which arrears were added to the capital in January of that year.

In addition to the old fiduciary issue and the issue in conformity with the gold exchange law, the Bank had the right in 1913 to issue up to 66 million drachmai notes "for its own account" (*cf.* detailed table above). At the end of that year, only 6.9 million drachmai of that amount were actually outstanding, the rest being held as "cash reserve" by the bank. In 1915 the maximum limit for this issue was increased by 80 million drachmai in order to cover the currency requirements of the new provinces taken over after the Balkan wars. In 1919 it was increased by 10.4 million drachmai when the Bank of Crete was absorbed, and in 1920 by 7 million drachmai when the note issue of the Ionian Bank lapsed. In the latter year it was increased by a further 300 million drachmai, on account of the requirements of the additional new territories. The total authorised issue "for the account of the Bank" on June 30th, 1920, was thus 463.4 million drachmai, of which only 162.1 millions were in actual circulation on that date, this portion being fully covered by the gold and the freely disposable exchange reserves of the Bank.

By the end of April 1923, the authorised limit for this category of the Bank's note issue had been raised to 3,263.4 million drachmai, the difference, or 2,800 million drachmai, having been issued directly on behalf of the State. By that time, therefore, the non-fiduciary issue of the Bank represented only a fraction of its total note issue.

In conformity with a Convention of March 3rd, 1923, a further increase of 300 million drachmai was authorised at the end of May of that year for the purpose of "the strengthening of trade, industry and agriculture". The notes put into circulation under this convention must be fully covered by short-term direct commercial advances. Since then no further extension of the limit for the authorised note issue "for the account of the Bank" has been made, but, on the contrary, a minor reduction (see detailed table above) resulting from repayments on certain loans due by the Government to the Bank (*cf.* section on the indebtedness of the Government).

On the other hand, as the gold exchange law of 1910 remained inoperative, a similar system was provided for by the Law of April 23rd, 1923, authorising the Bank to issue notes against foreign exchange and fresh foreign credits acquired for the account of the Government (*cf.* page 83 above). The Bank has been issuing notes under this new law since the end of May 1923.

With regard to the forced loan of March 25th, 1922, raised through the withdrawal of part of the note circulation by cutting in half all banknotes, one of the halves being maintained in circulation at half the nominal value of the old note, a full account is given in the *Memoranda on Currency*, 1913–1923, pages 112–113, and *Central Banks*, 1918 and 1918–1923, pages 209 and 214.

According to a Decree of December 5th, 1924, the halves (bearing the image of Georgios Stavros) serving provisionally as currency are to be withdrawn from circulation. They remain legal tender up to the end of December 1925, and will be accepted in payment at all offices of the National Bank up to the end of December 1931.

In addition to the banknotes, a certain amount of divisionary notes in denominations of 50 lepta, 1 and 2 drachmai has been issued by the State to replace silver coins. These notes are covered by a special Government deposit with the National Bank of 40.5 million drachmai (see statement below).

Deposits of the Central Bank:

The current account of the Treasury with the National Bank is not shown separately since 1921. The deposits shown in group XV of Table 11 were composed as follows:

Drachmai (000,000's omitted.)

End of	1913	1918	1819	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Account of the International Financial Commission	2.5	7.2	24.7	45.3	65.8	101.4	110.1	139.8	216.5	193.7	315.2
Service of the State loans	4.–	8.8	4.6	10.1	8.9	12.4	18.7	126.5	179.7	173.3	155.5
Deposits of collateral for small State notes in circulation	—	20.7	30.7	39.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
Other Government accounts	—	—	—	1.6	3.5	3.5	5.7	4.2	4.4	4.6	4.6
Total (*a*) . .	*6.5*	*36.7*	*60.–*	*96.5*	*118.7*	*157.8*	*175.–*	*311.–*	*441.1*	*412.1*	*515.8*
Fixed and time deposits, including interest payable	153.8	228.5	326.–	578.2	910.1	988.1	988.9	1,025.6	1,056.4	1,052.5	1,054.9
Savings deposits	41.3	98.5	119.4	138.–	186.3	197.7	221.7	218.2	220.7	210.2	214.5
Service of the bank's lottery loans, etc.. .	4.6	8.3	8.8	8.3	8.2	7.8	8.7	7.3	9.3	8.–	9.2
Total (*b*) . .	*199.7*	*339.3*	*454.2*	*724.5*	*1,104.6*	*1,193.6*	*1,219.3*	*1,251.1*	*1,286.4*	*1,270.7*	*1,278.6*
Grand total . .	206.2	376.–	514.2	821.–	1,223.3	1,351.4	1,394.3	1,562.1	1,727.5	1,682.8	1,794.4

The sundry liabilities in group XVI of Table 11 include the Treasury bills accepted by the National Bank, the Bank's loans in cheques on London and credits opened by the Bank of England in favour of the refugees as follows:

Drachmai (000,000's omitted.)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
National Defence bills accepted by the Bank . .	—	50.–	153.2	200.–	309.3	331.1	934.8	1,253.–	1,911.7	1,690.1	1,613.4
Loans in £	—	—	—	—	—	6.3	—	0.1	—	—	12.6
Bank of England credit in favour of the refugees .	—	—	—	—	—	—	—	21.5	21.5	43.5	43.5
Other accounts	122.3	144.9	140.8	224.1	105.3	398.7	326.5	64.2	149.–	417.9	215.3
	122.3	194.9	294.–	424.1	414.6	736.1	1,261.3	1,338.8	2,082.2	2,151.5	1,884.8

(For details concerning the National Defence bills accepted by the Bank, see page 84 above.)

HUNGARY

Table 12 **HUNGARY**

ACCOUNTS	NATIONAL OFFICE Position in Korona		
	December 1920	July 1921	December 1921
ASSETS.			
I. Metallic Reserve at home	0.2	0.2	12.8
(*a*) Gold	—	—	12.2
(*b*) Silver and Token coins	0.2	0.2	0.6
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	—	—	
(*a*) Gold Deposits abroad	—	—	
(*b*) Book Balances and Credits abroad	—	—	
IV. Commercial Bills	270.0	93.1	3,900.0
(*a*) Inland	270.0	93.1	3,900.0
(*b*) Foreign	—	—	—
V. Securities and Investments	967.6	883.6	18,955.6
(*a*) Government	967.6	883.6	18,955.6
(*b*) Other	—	—	—
VI. Loans and Advances	9,305.4	11,800.3	5,293.3
(*a*) to the Government	9,111.9	11,693.6	1,903.6
(*b*) on Government securities	193.5	106.7	1,158.4
(*c*) Other	—	—	2,231.3
VII. Sundries (including Premises, etc.)	7,511.7	7,493.7	955.1
VIII. Total Assets	**18,054.9**	**20,220.9**	**29,116.8**
LIABILITIES.			
IX. Capital	—	—	—
X. Reserve Funds	—	—	—
XI. Profit and Loss and Dividends Accounts	20.7	—	—
XII. Notes in circulation	14,307.8	15,799.4	25,174.9
XIII. Post Bills, Cheques, etc., in circulation	—	—	—
XIV. Current Accounts	3,227.5	3,532.4	2,239.9
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XV. Other Deposits	316.9	143.0	—
(*a*) Government	299.2	—	—
(*b*) Other	17.7	143.0	—
XVI. Sundries	182.0	746.1	1,702.0
XVII. Total Liabilities	**18,054.9**	**20,220.9**	**29,116.8**

HUNGARY

Table 12

OF NOTE ISSUE (000,000's omitted) at the end of			NATIONAL BANK OF HUNGARY			Gold Korona (000,000's omitted) at the end of
Dec. 1922	December 1923	March 1924	June 1924	September 1924	December 1924	December 1924
16.2	23.4	24.2	256,769.8	553,984.8	519,531.8	34.7
15.6	22.8	23.6	246,947.1	540,424.5	507,422.0	33.9
0.6	0.6	0.6	9.822,7	13,560.3	12,109.8	0.8
—	—	—	—	—	—	—
—	—	—	681,267.7	1,385,879.9	2,507,298.2	167.6
—	—	—	—	—	—	—
—	—	—	681,267.7	1,385,879.9	2,507,298.2	167.6
29,778.3	562,340.5	782,979.4	1,192,516.8	1,756,636.1	1,976,887.9	132.1
29,778.3	562,340.5	782,979.4	1,192,516.8	1,756,636.1	1,976,887.9	132.1
—	—	—	—	—	—	—
19,651.8	19,778.8	19,778.4	1,980.000.0	1,977,306.2	1,974,780.7	132.0
19,650.5	19,776.2	19,776.2	1,980,000.0	1,977,306.2	1,974,780.7	132.0
1.3	2.6	2.2	—	—	—	—
24,453.4	401,934.8	828,597.6	17,566.0	—	—	—
17,773.0	401,000.0	824,000.0	—	—	—	—
2,016.1	934.8	4,597.6	17,566.0	—	—	—
4,664.3	—	—	—	—	—	—
19,011.4	88,608.0	349,420.0	3,390,490.0	3,749,707.9	2,457,096.8	164.3
92,911.1	**1,072,685.5**	**1,980,799.6**	**7,518,610.3**	**9,423,514.9**	**9,435,595.4**	**630.7**
—	—	—	235,237.5	449,674.0	448,800.0	30.0
200.0	13,257.5	1,007.5	—	—	—	—
379.8	11,729.2	—	—	—	41,563.0	3.4
75,887.0	931,337.3	1,606,874.8	2,893,718.9	4,115,924.9	4,513,989.6	301.7
22.5	11.6	7.9	—	—	—	—
4,760.7	84,791.2	253,934.7	1,135,709.8	1,416,400.2	2,069,467.9	138.3
—	—	—	755,240.3	1,054,114.0	1,865,465.4	124.7
—	—	—	380,469.5	362,286.2	204,002.5	13.6
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
11,661.1	31,558.7	118,974.7	3,253,944.1	3,441,515.6	2,361,774.9	157.3
92,911.1	**1,072,685.5**	**1,980,799.6**	**7,518,610.3**	**9,423,514.7**	**9,435,595.4**	**630.7**

HUNGARY

Notes.

The Hungarian Section of the Austro-Hungarian Bank, the National Office of Note Issue and the National Bank of Hungary:

The statements for the end of December 1920 and July 1921 in Table 12 above show the position of the Hungarian Section (*Geschäftsführung*) of the Austro-Hungarian Bank. This section began operations on January 2nd, 1920, and was closed on July 21st, 1921, when its assets and liabilities were transferred to the National Office of Note Issue, set up in Budapest as a temporary institution for handling the note issue until a bank of issue proper could be established. The National Office of Note Issue was a State institution, placed under the control of the Minister of Finance. Its note issue was made largely to cover the budget deficit.

The cessation of the Government note issue and the establishment of an independent central bank of issue formed the essential conditions of the general scheme for the economic reconstruction of Hungary which was put into effect under the auspices of the League of Nations in the spring of 1924. The law creating the new bank under the name of the National Bank of Hungary (Law V of 1924) was adopted by the National Assembly on April 17th and was promulgated on April 26th. The necessary steps for establishing the Bank were immediately taken. The capital of 30 million gold korona was wholly subscribed between April 28th and May 7th in gold or stable foreign currency. In order to accomplish this result, it became necessary for the State to underwrite part of the issue and it actually took up shares to the value of 11.85 million korona, part of which, however, were later placed with private banks. The Bank was to start operations when 50% of the subscriptions had been paid. This had been done by May 24th, when the constituent assembly for the organisation of the Bank was held. In conformity with the law, the Bank began operations within one month of its constitution, or on June 24th, 1924, when it took over almost all assets and liabilities of the National Office of Note Issue, which was closed on the same day.

The National Bank of Hungary is essentially a banker's bank. It is under the administration of a General Council, composed of the President of the Bank — appointed by the Head of the State on the proposal of the Minister of Finance — and thirteen members elected by the general assembly of shareholders to represent agriculture, industry, commerce and banking. Not more than four of these members can be bank directors. The Council elects from among its own members two Vice-Presidents, whose election is subject to confirmation by the Head of the State. An Executive Committee, consisting of the President, the two Vice-Presidents and three other members of the General Council, in the meetings of which the General Manager may take part with a consultative voice, has been established to deal with emergency questions; but its decisions must be reported to the Council at its next meeting. Officials of the Government and members of the National Assembly cannot become members of the General Council or the management.

On nomination by the Minister of Finance, the Head of the State appoints a Government Commissioner and a deputy to see that the business of the Bank is conducted in accordance with the laws and the Statutes. The Commissioner has the right to veto any decisions of the general meeting, the General Council and the Board of Management. Questions thus vetoed must be submitted for settlement to the Government or — if agreement is not reached — to a Court of Arbitration, the decisions of which are final.

The Statutes provide, in addition, for the appointment by the Head of the State — on the proposal of the Government after designation by the Commissioner-General of the League of Nations — of a foreign Adviser to the Bank. The office of the Adviser shall terminate co-incidentally with that of the Commissioner-General. All important decisions by any authority of the Bank must be submitted for approval to the Adviser, who has the right of a suspensory veto in regard to proposals which he thinks do not comply with the Statutes. Final decision rests with the Commissioner-General.

Of the Bank's net profits, 5% must be allotted to the pensions fund and 10% to the reserve fund, until it reaches 20% of the share capital, and afterwards 5%. The shareholders are then entitled to an 8%

dividend. Of the net profits in excess of these allotments, one-third is to be paid as superdividend to the shareholders, provided that the total dividends do not exceed 10%, while the other two-thirds are allocated to the State. Of the remainder, one-fourth is to be given as second superdividend to the shareholders and three-fourths go to the State. The whole of the Government share in the profits is to be used for re-paying the State debt to the Bank. The dividends are payable in gold korona, and the annual balance sheet has to be established in the same unit of account (see statement for the end of December 1924 in Table 12 above.)

Metallic and foreign exchange reserves—Exchange policy:

The gold reserve as given in Table IV (Vol. I) is calculated according to the legal pre-war gold parity (1 kg. = 3,278 korona). This also applies to the statements up to the end of March 1924 in Table 12 above. In the balance sheet of the new National Bank, however, the metallic reserve is entered at its paper value in conformity with the Statutes. The reserve of the National Office of Note Issue was credited with the greater part of the gold received by the Government from the Austro-Hungarian Bank. The initial gold reserve of the National Bank was 14.6 million korona, derived mainly from the Government's subscriptions to the share capital, and has been increased by subsequent gold purchases. Article 83 of the Statutes prescribes that "the Bank shall provide for the collection of a gold reserve sufficiently large to ensure that, as soon as a definitive ratio has been established between the currency unit and gold, and the State debt to the Bank has been reduced to 30 million gold korona, cash payments can be resumed."

The National Office of Note Issue held no foreign assets for its own account, as all transactions in foreign currency were centralised exclusively with the Central Exchange Control Committee. This institution, established during the war and later closed down, was again set up in August 1922, when, in the hope of checking the rapid depreciation of the Hungarian currency, it was made illegal to offer, export, or lend Hungarian currency abroad. The purchase and sale of foreign exchange was confined to the members of the Exchange Committee, which functioned under the direction of the State Note Office. The Exchange Committee examined, approved or rejected the demands for foreign currency and established daily the official rates of exchange, which were compulsory.

On the opening of the National Bank, the Exchange Control Committee was closed and its foreign assets as well as its functions were taken over by the Bank. In addition, certain amounts of gold and foreign exchange accrued to the reserves of the Bank from the later calls on the share capital. The funds thus obtained were considered too small, however, to enable the Bank to stabilise the exchange, and as the flotation of the international reconstruction loan was retarded, the State Note Office received, in the middle of June 1924, an advance of £4 million (equivalent to 1,479,600 million korona) from the Bank of England in anticipation of the loan. A few days later, this sterling credit was handed over to the National Bank, which started its operations on the 24th of that month.

One essential condition of this credit was that the Hungarian currency should be linked up with the pound sterling. But unlike the procedure adopted in Austria, Germany and Poland, which began by stabilising their currencies on the basis of the dollar, no definitive policy in regard to the level of stabilisation had been adopted in Hungary when the reconstruction scheme was started. The korona exchange was left to find its own level and was allowed, therefore, first to depreciate and afterwards to improve rapidly. By the end of July 1924, however, conditions seemed favourable to stabilisation at the actual exchange value of the korona, which happened to correspond to about 346,000 korona to the pound, or almost exactly the rate at which the Austrian krone would stand in London when the pound reached the gold parity. The National Bank engaged itself to maintain this rate from August 1st, 1924, and since then the movement in the Hungarian exchange has been closely parallel with that of sterling. (See Table I (Vol. I)). As a result there was no fixed relation between the paper and the gold korona until the re-introduction of the gold standard in the United Kingdom (end of April 1925). On the other hand, under the reconstruction scheme, the gold korona was adopted as unit of account in the State administration, customs duties, railway tariffs, taxes and salaries being fixed in this unit. On account of the appreciation of the gold value of the pound sterling, therefore, the official coefficient of conversion from paper into gold has been changed from time to time.

The Bank of England credit had been repaid in great part by the end of 1924. It does not constitute part of the foreign asset reserve as given in the Bank's balance sheets and in group III (*b*) of Table 12 above, but is included in the sundry assets (group VII of the table), the Bank's liability on account of this credit being included in the sundry liabilities (group XVI of the table). These sundry groups include, in addition, those proceeds of the international loan which have been deposited with the Bank by the Government. The increase in the exchange reserve proper of the Bank is derived mainly from the purchase

of portions of these proceeds exchanged for korona with the Bank. All foreign assets in currencies which are not eligible for the note reserve are likewise entered under the sundry assets in the balance sheets. For the purpose of the present memorandum, however, the net balance of these assets, amounting, at the end of December 1924, to 38.6 million gold korona, has been added to those in the note reserve, the total being shown under III (*b*) in Table 12.

In connection with the establishment of the National Bank, a new exchange ordinance was published on June 22nd, 1924. The compulsory delivery to the State of the foreign exchange resulting from exports was abolished, with one minor exception: 50% of the proceeds of the sale abroad of Hungarian securities must still be surrendered to the State. The object of this restriction is to provide protection against the possibility that the position on the Stock Exchange might lead to a reimport on an excessive scale of previously exported securities. Further, the distinction between *Auslandskronen* and *Inlandskronen* was abolished. The *Inlandskronen* represented money which was not at the free disposal of the owner abroad, as it could only be invested within Hungary and only for such purposes as would not result in the export of goods or money. Finally, foreign currencies were made exchangeable for one another without restriction. On the other hand, the permission of the National Bank is required before korona may be paid or lent abroad, and foreign currency is delivered only for "legitimate" purposes. Only the National Bank, and such banks and financial houses as are authorised by it, may buy, sell or lend foreign exchange, the authorised dealers being subject to the control of the Bank. The complete release of the dealings in foreign currencies is envisaged in the near future.

Indebtedness of the State to the National Bank:

The Government indebtedness to the successive note-issuing institutions, shown in their balance sheets and entered under V (*a*) and VI (*a*) in Table 12, is shown below:

Korona (000,000's omitted)

End of	Dec. 1920	July 1921	Dec. 1921	Dec. 1922	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Hungarian State notes	967.6	833.6	—	—	—	—	—	—	—
Austro-Hungarian Bank notes stamped by the Hungarian Government and replaced by Hungarian State notes	—	—	17,772.7	18,264.–	18,396.2	18,396.2			
Notes of the Post Office Savings Bank	—	—	1,177.2	1,369.9	1,380.–	1,380.–			
"Forged" notes (1 kr. and 2 kr.)	—	—	5.7	16.6	—	—	1,980,000.–	1,977,306.2	1,974,780.7
State loan debt	—	—	—	—	—	—			
Advances to the Treasury, including Treasury bills	9,111.9	11,693.6	1,903.6	17,773.–	401,000.–	824,000.–			
Total	10,079.5	12,527.2	20,859.2	37,423.5	420,776.2	843,776.2	1,980,000.–	1,977,306.2	1,974,780.7

The State notes held by the Hungarian Section of the Austro-Hungarian Bank were assumed as a liability by the National Office of Note Issue and disappeared, therefore, from the assets side in the balance sheets. The former institution granted allowances to the Government exclusively by discounting Treasury bills. On the establishment of the State Note Office, to which institution the assets and liabilities of the Hungarian Section of the Austro-Hungarian Bank were transferred, this debt was transformed into a debt represented by the Austro-Hungarian Bank notes stamped for the account of the State, and the other notes recognised by the State, withdrawn by the Note Office and exchanged for new State notes (for details, see section on note circulation below).

The Note Office was not originally entitled to make any additional advances to the Government apart from discounting for third parties three-months Treasury bills drawn in renewal of such bills issued before the coming into force of the law establishing this institution. The Treasury bills thus discounted amounted at the end of December 1921 to about 1,000 million korona and at the end of December 1922

to 1,273 million korona, which sums are included in the last item of the statement above. Soon after the establishment of the Note Office, however, the law regulating its operations was amended in order to permit the Office to advance "temporarily" to the Treasury the sums required to cover the budget deficit. By the end of 1921, 900 million korona had been advanced for that purpose. In the following years, these advances increased rapidly and reached on June 23rd, 1924, the date of the last balance sheet of the Note Office, 1,840,000 million korona.

As already mentioned, the National Bank, which began operations on the following day, took over the principal assets and liabilities of the Note Office. Certain commercial assets of that institution, however, were not acceptable by the Bank under its Statutes. When it was found that the liabilities assumed by it — namely, the entire note issue and the current account obligations — were in excess of the assets taken over, including the State debt, these debts were increased by the amount of the deficiency, and it proved possible to do so without exceeding the amount of 110 million gold korona provided in the Geneva Agreement of March 1924 as maximum for the total State debt to the Note Office. These State debts were unified when transferred to the National Bank. According to a subsequent agreement between the Government and the Bank, the State pays 3% on this debt, ½% being for amortisation. In addition, as already mentioned, the whole of the Government share in the profits of the Bank is to be used for the repayment of the debt.

The Bank is prohibited under its Statutes from granting any additional credits either directly or indirectly to the State, towns or communes, except against full payment in gold or foreign exchange.

Discounts and advances:

Although the Statutes lay down the general rule that the Bank may only discount three-month bills, provisions have been made, on account of the essentially agricultural character of the country, for the discounting — so far as may be consistent with the cash position of the Bank — of bills maturing in not more than six months, provided that they conform to the general rules regarding signatures contained in the Statutes and that at least one of the signatories is an agriculturist. The Bank is also authorised to grant advances for periods not exceeding three months against collateral of: (*a*) gold and silver; (*b*) bonds quoted officially on the Budapest Bourse; (*c*) bills of exchange payable in Hungary or abroad which conform with the requirements in regard to discounts; and (*d*) foreign exchange. After liquidation of the advances taken over from the National Office of Note Issue, the Bank has not made use of this authorisation. (For further details concerning the years 1920-1923, see *Memorandum on Central Banks*, 1913 and 1918-1923.)

Note circulation:

In addition to the notes of the Austro-Hungarian Bank, Post Office Savings Bank notes and so-called "white" notes were made legal tender in Hungary during 1919 by the Soviet Government. The quantity of "white" notes issued has been estimated at 3,500 million korona and the Post Office Savings Bank notes (of 5, 10 and 20 kronen) at 250 million korona. After the fall of the Soviet Government, the "white" notes were declared to be forgeries; but, in order to avoid hardship, the 1 and 2 korona notes and the Post Office Savings Bank notes were officially recognised at their face value and the 25 and 200 korona notes were exchanged at one-fifth of their value.

According to a Decree dated March 17th, 1920, all Austro-Hungarian Bank notes in circulation in Hungary, excepting the 1 and 2 korona notes, were stamped, 50 % of the notes submitted for stamping being retained as a forced loan at 4 % interest. Subsequently, these provisions were amended, and by a Decree of June 30th, 1920, all amounts of 10,000 kr. or less so withheld were entirely refunded, and when the amount retained did not exceed 25,000 kr., only the excess over 10,000 kr. was retained. Further adjustments were made subsequently in connection with the 20 % tax on capital.

A new provisional currency system was introduced in connection with the establishment of the National Office of Note Issue by Law XIV of May 15th, 1921, authorising the following issues of State notes:

(*a*) The amount required for the conversion — at their face value — of the stamped Austro-Hungarian Bank notes, the Post Office Savings Bank notes, and the "forged" small notes in the possession of the Office (see detailed statement on page 94 above);

(*b*) An amount equal to the three-months Treasury bills discounted for third parties and issued before the date of the law or drawn in renewal thereof;

(*c*) The amount required for the "statutory operations", *i.e.* the commercial operations, of the Office;

The issue under (*c*) was limited by the law to 2 milliard korona, but could be temporarily raised by the Government with the consent of the Council of the Office for purposes of harvest or the payment of the capital tax. The above limit was greatly exceeded in October 1921 and, as a result of the discounting policy pursued and the effects of the Government inflation simultaneously embarked upon, the limit had to be extended from time to time. At the end of December 1922, the authorised issue of the Office for the account of its commercial operations was 37 milliard korona, and in the course of 1923 and the first half-year of 1924 it was further greatly extended. The authorisations given for the printing of notes to cover the budget deficit are mentioned in the section on the State indebtedness above.

As shown in Table 12, the commercial credits of the Note Office represented by the discounts and advances on securities increased more rapidly than the advances to the State in 1923. In order to check excessive demands for credit by indemnifying creditors for the depreciation of the currency, the Government introduced, by the end of February 1924, when the fall in the exchange became alarming, a system of gold accountancy, the so-called *Sparkrone*. The Note Office was instructed on February 20th to grant credits only on the condition of repayment at the sparkrone-rate of the date of maturity. This rate was fixed daily by a Government Committee under the direction of the Note Office by a composite index calculation based on the rate on New York quoted in Budapest, the rates on Budapest quoted in Zurich and Vienna, and the prices of arbitration securities on the Budapest and Vienna markets. The *Sparkrone* was adopted to a considerable extent as unit of account by the commercial banks and had an effective influence in reducing the demands on the National Note Office for credit. It was abolished in connection with the establishment of the National Bank, and the Sparkronen accounts were liquidated in paper korona at the rate of 125 korona for 100 Sparkronen.

The regulations concerning the cover for the note issue of the new National Bank (Articles 85 and 86 of the Statutes) are similar to those of the Austrian National Bank. The total of the note circulation and all liabilities payable on demand *less* the fiduciary note issue against the State loan debt to the Bank shall be covered by the cash reserve to the extent of 20 % for the first five years, 24 % for the following five years, 28 % for a further five years and 33 $^1/_3$ % for the rest of the time which will elapse until cash payments are resumed. As cash reserve may be reckoned: (*a*) gold and silver; (*b*) foreign notes "which have not undergone any violent fluctuations of exchange"; (*c*) bills of exchange, "which are made out in currencies not having undergone any violent fluctuations of exchange, which are payable at leading banking centres in Europe or America and which are drawn upon banking institutions of unquestioned solvency"; (*d*) credits and cash deposits which "are available at any time and are held at leading banking centres in Europe or America in institutions of unquestioned solvency", at least 25 million gold korona of such credits and deposits to be held by the Bank until cash payments are resumed.

In so far as the liabilities to be covered in conformity with the above regulations exceed the cash reserve, they must be covered by: (*a*) the discounts of the Bank; (*b*) its exchange holdings in currencies not eligible for the cash reserve; (*c*) bills in foreign currency payable in Hungary; and (*d*) — though for a period of five years only — advances on the collateral indicated on page 95 above.

If the cash reserve falls short of the above percentages of cover, a tax on the notes and sight liabilities in excess of the legal ratios shall be paid to the State. Until the resumption of cash payments, the taxation rate shall be the current discount rate, *plus* the following increases: (*a*) 1 % if the proportion of cover amounts to less than 20 % (or 24, 28 or 33 $^1/_3$ %) but more than 18 % (or 22, 25 ½ or 30 %), and (*b*) a further 1 ½ % for every further 2 %, or fraction of 2 %, by which the proportion of cover falls below 18 % (or 22, 25 ½ or 30 %).

After the resumption of cash payments, the Bank shall pay the banknote tax as soon as the proportion of cover falls below 40 %. The taxation rate shall be the discount rate, *plus* the following increases: (*a*) 1 % if the proportion of cover is less than 40 % but more than 33 $^1/_3$ %, and (*b*) a further 1 ½ % for every further 3 %, or fraction of 3 %, by which the proportion of cover falls below 33 $^1/_3$ %. The banknote tax can never be less than 5 %.

Since the pound sterling has reached the gold parity and the gold value of the Hungarian korona has become equal to that of the Austrian krone (page 93 above), stabilised in relation to the dollar, and since the new schilling currency has been introduced in Austria (see note on Austria, page 13 above) the adoption of similar measures are being considered in Hungary. If these plans are carried into effect, the new currency unit to be introduced in Hungary will be equal to the Austrian schilling and to 10,000 paper korona.

ITALY

Table 13

ITALY

ACCOUNTS	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	1,495.4	1,169.1	1,155.5
(*a*) Gold	1,375.4	1,048.7	1,036.7
(*b*) Silver and Token coins	120.0	120.4	118.8
II. Other items of a Reserve or Cash nature	66.4	190.1	484.4
III. Assets in and Claims on Foreign Countries	175.7	1,255.3	922.7
(*a*) Gold Deposits abroad	—	429.2	439.2
(*b*) Book Balances and Credits abroad	175.7	790.1	483.5
IV. Commercial Bills	697.7	1,308.1	2,044.9
(*a*) Inland	676.1	1,307.3	2,044.0
(*b*) Foreign	21.6	0.8	0.9
V. Securities and Investments	341.3	405.8	446.3
(*a*) Government	341.3	400.7	437.4
(*b*) Other	—	5.1	8.9
VI. Loans and Advances	251.2	8,789.7	13,177.7
(*a*) to the Government	13.9	7,429.6	11,164.8
(*b*) on Government securities	163.7	936.3	1,574.5
(*c*) Other	73.6	423.8	438.4
VII. Sundries (including Premises, etc.)	286.0	2,714.5	3,018.1
VIII. Total Assets	**3,313.7**	**15,832.6**	**21,249.6**
LIABILITIES.			
IX. Capital	242.0	242.0	242.0
X. Reserve Funds	112.9	183.0	214.3
XI. Profit and Loss and Dividends Accounts, etc.	26.3	73.1	67.6
XII. Notes in circulation	2,283.5	11,750.2	16,281.3
XIII. Post Bills, Cheques, etc., in circulation	230.0	1,172.9	1,903.4
XIV. Current Accounts	261.9	1,137.9	884.8
(*a*) Government	162.8	277.1	58.5
(*b*) Other	99.1	860.8	826.3
XV. Other Deposits	—	—	—
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XVI. Sundries (including Pension Funds)	157.1	1,273.5	1,656.2
XVII. Total Liabilities	**3,313.7**	**15,832.6**	**21,249.6**

Table 13

ITALY

THREE BANKS OF ISSUE

Position in Lire (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
1,176.4	1,214.6	1,246.1	1,267.7	1,289.3	1,303.1	1,310.0	1,306.2
1,058.8	1,091.9	1,125.8	1,117.6	1,126.1	1,128.1	1,131.5	1,131.5
117.6	122.7	120.3	150.1	163.2	175.0	178.5	174.7
373.7	483.6	481.5	537.2	498.4	504.1	452.6	457.7
926.3	826.6	827.5	632.6	601.6	585.4	582.3	575.3
418.6	418.6	418.6	418.6	418.6	418.6	418.6	418.6
507.7	408.0	408.9	214.0	183.0	166.8	163.7	156.7
3,923.3	4,890.7	6,040.8	7,929.9	4,304.4	4,612.7	4,546.4	9,108.8
3,922.0	4,887.9	6,039.7	7,927.7	4,302.1	4,611.3	4,545.5	9,108.2
1.3	2.8	1.1	2.2	2.3	1.4	0.9	0.6
490.2	999.0	828.8	1,337.8	1,459.8	1,509.1	1,546.3	1,565.8
481.3	990.1	819.3	1,327.1	1,449.4	1,498.4	1,535.4	1,554.8
8.9	8.9	9.5	10.7	10.4	10.7	10.9	11.0
15,512.9	14,901.2	12,324.8	12,000.2	15,365.0	14,955.9	14,465.8	11,317.5
11,493.6	9,246.0	8,624.9	7,926.0	7,860.9	7,666.0	7,532.4	7,428.1
2,779.0	4,666.9	2,884.6	3,161.5	2,696.7	2,395.7	2,133.7	2,915.8
1,239.4	988.3	815.3	912.7	4,807.4	4,894.2	4,799.7	973.6
2,399.6	2,131.8	2,028.0	1,719.6	1,692.3	1,838.0	2,135.1	2,017.9
24,801.5	**25,447.5**	**23,777.5**	**25,425.0**	**25,210.8**	**25,308.3**	**25,038.5**	**26,349.2**
242.0	242.0	242.0	242.0	242.0	242.0	242.0	242.0
235.6	272.0	299.7	312.4	324.1	325.4	329.7	330.2
83.2	65.5	45.2	74.4	—	—	—	83.3
19,731.6	19,208.9	18,012.0	17,246.7	16,819.3	17,525.0	17,760.5	18,114.2
1,688.9	1,981.2	1,193.9	1,263.4	1,236.5	1,468.0	1,265.7	1,717.2
1,467.1	2,342.3	2,166.1	3,541.6	3,392.1	2,485.9	2,015.6	2,496.3
412.4	1,215.6	757.9	2,222.3	1,865.2	979.2	438.8	1019.2
1,054.7	1,126.7	1,408.2	1,319.3	1,526.2	1,506.7	1,576.8	1,477.1
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,353.1	1,335.6	1,818.6	2,744.5	3,196.8	3,261.9	3,425.0	3,366.0
24,801.5	**25,447.5**	**23,777.5**	**25,425.0**	**25,210.8**	**25,308.3**	**25,038.5**	**26,349.2**

ITALY

Notes.

Three Banks of Issue:

All the three banks possessing the right of note issue in Italy, *viz.:* the Bank of Italy, the Bank of Naples and the Bank of Sicily, are subject to the same regulations in regard to their functions as central banks of issue.

Their balance sheets have been combined in Table 13 above. This table is based on the "Monthly Bulletin of the Accounts of the Note-Issuing Institutions" published by the Italian Treasury, in which bulletin the balance sheets of the three banks are drawn up according to a common form [1].

Metallic and foreign exchange reserves:

Of the gold deposits abroad (group III (*a*) of Table 13), the greater part, 403.6 million lire, was deposited in London during the war as collateral for certain credits raised in the United Kingdom. 272.1 million lire of that amount were obtained from the gold reserve of the Provincial Treasury originally deposited with the Bank of Italy, which acts as its fiscal agent. The Bank of Italy having placed at the disposal of the Treasury an equal amount in its own notes, this gold used to be included in the gold reserve of the bank as shown in its balance sheets. In addition, as shown in Table IV (Vol. I), the Treasury deposited a sum of 158.7 million lire of its own gold reserve in London. In the balance sheets of the Banks these gold deposits are not shown under the metallic reserve, but are included as "certificates of gold deposits abroad", together with certain "deeds of credit abroad" in the current accounts with foreign correspondents. Both these items, however, are considered as equivalent to the metallic reserve at home and serve as legal cover for the note circulation. The detailed composition of the foreign exchange reserve as given under III (*b*) in Table 13 above is shown in Table V (Vol. I). In June 1925, the three Banks of Issue contracted a credit in New York of 50 million dollars to be used for the stabilisation of the lira.

Indebtedness of the State to the Banks of Issue:

The Banks' claims on the State, apart from those arising from the Government securities in which the reserves and various other funds of the Banks have been invested, are shown in detail in the statement on the following page.

All the advances shown in the first part of the statement were effected in the form of note issues for the account of the State. The "Statutory advances", given under the terms of the law establishing the Banks, bear interest at the rate of 1½% per annum, and the notes thus issued have a metallic cover of one-third of their nominal value. With respect to the remaining amounts of notes advanced to the State, the Banks are exempted from the obligation of keeping a metallic reserve (or paying any tax). The "extraordinary advances" in the statement below were made to cover the extraordinary expenditure of the Government caused by the war and are secured by Treasury bonds yielding an annual interest to the Banks of 0.25% from the 4,850 million lire advanced in the years 1915-1918, and 0.20 % from the 1,000 million lire advanced in 1919. The advances of 804.1 million lire to the Treasury for the conversion of the kronen notes circulating in the former Austro-Hungarian provinces and of the paper money issued by the *Cassa Veneta* during the Austrian occupation of the northern provinces are likewise secured by Treasury bonds yielding an annual interest of 0.25% to the Banks. The item "Supply of notes to the State Treasury" represents certain advances made in the beginning of the war to enable the Deposit and Loan Institute *(Cassa Depositi e Prestiti)*, subordinated to the State, to grant loans mainly to local authorities for the execution of public works. As security for these advances, the Banks were given a lien on certain bonds deposited with this Institute, and an indemnity, once for all, of 0.15% to cover the costs of issue of the corresponding notes.

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[1] For details as to certain minor double countings involved by the combination of these balance sheets into a common return, see *Memorandum on Central Banks*, 1913 and 1918-1923, page 232.

Lire (000,000's omitted)

End of ...	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Statutory advances to the Treasury	—	485.–	485.–	485.–	485.–	485.–	485.–	485.–	485.–	485.–	485.–
Extraordinary advances to the Treasury (1915-1918)	—	4,230.–	4,850.–	4,850.–	4,850.–	4,850.–	4,580.2	4,543.4	4,543.4	4,515.–	4,515.–
Extraordinary advances to the Treasury (1919)	—	—	1,000.–	1,000.–	1,000.–	1,000.–	1,000.–	1,000.–	1,000.–	1,000.–	1,000.–
State Treasury — "Supply of notes" .	—	700.–	700.–	700.–	700.–	700.–	700.–	586.1	586.1	586.1	586.1
Extraordinary Advances to the Treasury for the conversion of the notes (bonds) of the "Cassa Veneta"	—	—	40.–	40.–	40.–	40.–	40.–	40.–	—	—	—
Extraordinary advances to the Treasury for the conversion of Austrian notes. . .	—	—	662.–	764.1	764.1	764.1	764.1	764.1	650.–	550.–	450.–
Advances to third parties for the account of the State	—	1,750.6	2,892.7	2,903.7	665.7	237.5	185.1	188.9	211.5	211.9	205.5
Total fiduciary note issue for the account of the State	—	*7,165.6*	*10,629.7*	*10,742.8*	*8,504.8*	*8,076.6*	*7,754.4*	*7,607.5*	*7,476.–*	*7,348.–*	*7,241.6*
Treasury bills discounted	—	—	—	334.5	293.3	138.9	69.–	19.8	27.–	21.1	83.1
Sundry advances to the Government and the Provincial Treasuries	13.9	264.–	535.1	416.3	447.9	409.4	102.6	233.6	163.–	163.3	103.4
Total other advances .	*13.9*	*264.–*	*535.1*	*750.8*	*741.2*	*548.3*	*171.6*	*253.4*	*190.5*	*184.4*	*186.5*
Total loans and advances to the Government.	13.9	7,429.6	11,164.8	11,493.6	9,246.–	8,624.9	7,926.–	7,860.9	7,666.–	7,532.4	7,428.1

The "advances to third parties for the account of the State" are free of interest, the Banks having received only an indemnity of 0.15% to cover the costs of issue. These advances were given partly in order to enable the Government to make grants to various savings banks, co-operative societies and agricultural credit institutions, but mainly to finance the State purchases of corn, war supplies and fuel, etc. They thus represented transactions of a temporary character which were liquidated by the sale of the goods, the proceeds of these sales being used for the repayment of the advances. As shown above, these repayments were effected mainly in 1921. It will be noted that the Government in 1923 and 1924 made certain repayments also on the advances granted to cover the budget deficits and for the conversion of Austrian money. These repayments, amounting to about 700 million lire for the period end of 1922 to end of 1924, have been continued in 1925. Moreover, the Government debt represented by the Treasury bills discounted by the Banks has been considerably reduced since 1920, before which date these bills were not shown separately, but were included in the commercial discounts in group IV (*a*) of Table 13.

On the other hand, the State has indirectly assumed a very considerable indebtedness to the Banks of Issue in connection with the recent banking crisis, as explained in the following section.

Commercial credits of the Banks of Issue:

Apart from the rediscounts shown under IV (*a*) in Table 13, the commercial credits of the Italian Banks of Issue are granted mainly in the form of advances against Treasury bills, Treasury bonds and other "securities" issued or guaranteed by the State shown under VI (*b*) in the table.

The increase in the domestic portfolio in recent years has been due mainly to the intervention of the Banks of Issue on account of the credit crisis caused by the failure of the *Banca Italiana di Sconto* at the end of 1921, financial assistance having been granted chiefly in the form of rediscounts. The official returns from which the table has been prepared give no details on this subject until December 1923, but the annual reports of the Banks contain certain information as to the position at the end of 1921 and 1922. According to these statements, the domestic portfolio on December 31st, 1921, and on the subsequent dates given in the table, was composed as follows:

	Lire (000,000's omitted)						
End of	Dec. 1921	Dec. 1922	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Credits granted through:							
The "Bank Consortium" of November 24th, 1921.	424.6	223.–	120.–	—	—	—	—[1]
The "Autonomous Section of the Consortium for loans on industrial securities".	—	899.–	3,306.4	3,937.9	3,994.5	4,052.1	4,081.9
Other discounts	4,463.3	4,917.7	4,621.3	4,302.1	4,611.3	4,545.5	5,026.2
Total.	4,887.9	6,039.7	8,047.7	8,240.–	8,605.8	8,597.6	9,108.1

The first and second items of the above statement do not represent all the additional credits advanced by the Banks of Issue in connection with the Banca di Sconto crisis, but only those disclosed in detail by the Banks. The "Bank Consortium" of November 24th, 1921, was formed by the three Banks of Issue and three of the big commercial banks for the purpose of supporting the Banca di Sconto by means of rediscount credits up to a limit of 600 million lire. Towards the end of December, however, when the impossibility of saving the bank from a financial collapse was realised, the rediscounts through the Consortium were stopped. The Banca di Sconto then had to ask for a moratorium and was subsequently put into liquidation.

By virtue of a Decree of March 4th, 1922, the Banks of Issue established a special "Autonomous Section" of the "Consortium for loans on industrial securities" *(Consorzio per sovvenzioni su valori industriali)*. This Consortium, the purpose of which is expressed in its name, had been formed at the beginning of the war by the Banks of Issue and certain other credit institutions. The new "Autonomous Section" was empowered to finance the liquidation of the Banca di Sconto under a "concordat" of March 16th, 1922, concluded between the bank and its creditors. The maximum limit for the rediscounts to be made by the Banks of Issue through the "Autonomous Section" was originally fixed at one milliard lire. However, the "necessity of enabling the Banca di Sconto to carry through the concordat concluded with its creditors within a shorter period than originally provided, and to reorganise in a definite way another important credit institute (Banco di Roma) which had been severely hit by the collapse of the Banca di Sconto and which it was considered important to help"[2], induced the Government to authorise the Banks of Issue by a Decree of March 22nd, 1923, to extend their rediscount credits beyond the original limit. As a result, these credits were more than tripled between the end of March and December of that year. In order to check this rapid expansion, a decree was issued forbidding the autonomous section, as from January 1st, 1924, to engage in any new operations and authorising it to continue those taken in hand before that date only within the limits approved by the Minister of Finance. The increase in 1924 was due to the continuation of such operations. This continued immobilisation of almost one-half of the commercial portfolio as shown above, however, made it necessary to adopt a more rigorous policy by the end of 1924. No further expansion was allowed and in the first months of 1925 the Banks began to reduce these rediscounts.

As cover for the losses which may arise from the liquidation of these credits, the Banks of Issue were authorised by a Decree of September 27th, 1923, to place in a special reserve fund three-fourths of the proceeds of the tax on the note issue, which tax is equal to the official rate of discount. This fund, which is to be invested in Government securities, thus in practice serves as a sinking fund for the advances made by the three Banks in connection with the recent credit crisis. It is obvious that the State under this arrangement assumed a certain portion of the losses arising from the liquidation of these advances.

[1] The credits to the Bank Consortium are not shown separately in the monthly returns for 1924, but had probably for the greater part been liquidated by the end of that year.

[2] Annual report for 1923 of the Bank of Italy.

The securities of which the above fund is composed are included in the Government securities shown in group V (*a*) of Table 13, which accounts for the increase in this item in recent years.

Moreover, according to an agreement concluded by the end of 1924, a portion of the net profits of the Banks in excess of a certain limit fixed in relation to their capital is to be used for the above purpose. By a further Decree of March 4th, 1925, the Government was authorised to raise an internal loan of 1 milliard lire by the issue of 9-years Treasury bonds for the main purpose of redeeming in banknotes short-term Government securities totalling 860 million lire held by the "Autonomous Section" of the Consortium. These banknotes are to be employed by the Consortium for redeeming paper discounted by it with the Banks of Issue, which are not allowed to re-issue these notes.

Note circulation:

The note circulation of the Italian Banks of Issue is legally divided into two categories: notes issued "for the account of the State" and the notes issued "for account of trade". The second category, from which the issue for the account of the "Autonomous Section of the Consortium for loans on industrial securities" has been separated in recent years, corresponds to what in certain other countries is shown as the circulation for the bank's own account. The movement since 1913 in these main categories of the bank-note circulation is shown below:

End of	Lire (000,000's omitted) Bank Note circulation: For the account of the State	For the account of the Consortium for industr. credits	For the account of the Banks	Total
1913	—	—	2,283	2,283
1914	735	—	2,201	2,936
1915	2,069	—	1,899	3,968
1916	2,557	—	2,592	5,012
1917	5,833	—	2,592	8,425
1918	7,165	—	4,585	11,750
1919	10,630	—	5,651	16,281
1920	10,743	—	8,988	19,731
1921	8,505	—	10,704	19,209
1922	8,077	899	9,036	18,012
1923	7,754	3,162	6,330	17,247
March 1924	7,607	3,938	5,274	16,819
June »	7,476	3,994	6,055	17,525
Sept. »	7,348	4,052	6,361	17,761
Dec. »	7,241	4,082	6,791	18,114

The circulation "for the account of the State", *i.e.* the fiduciary issue, has as counter value the advances specified in the first part of the detailed statement on page 101 above. Since 1921 the legal cover of the note circulation for the account of the Banks shown above consists of the whole of the metallic reserves at home (excepting a small amount of token coins), the gold deposits abroad and the foreign exchange holdings in group III of Table 13 — considered as "equivalent reserve" *(reserva equiparata)* — the Treasury Bills discounted and a certain amount of other Government securities held by the Banks, the advances against Government securities, and a certain portion of the remaining commercial portfolio after deduction of the rediscounts of the "Autonomous Section" of the above-mentioned Consortium[1]. Up to and including 1920, the sight liabilities shown in group XIII of the table had to be covered up to 20% by metallic or "equivalent" reserve, but in conformity with certain alterations in the Bank law in 1921 a special reserve of Government securities was substituted for the metallic cover. These sight liabilities consist mainly of circular cheques, drafts and cash-vouchers, which are largely used as money substitutes.

Most of the deposits of the Banks are interest-bearing.

[1] For further details, see *Memorandum on Central Banks*, 1913 and 1918-1923, pages 239-241.

Table 14. LATVIA

ACCOUNTS	BANK Position December 1922
ASSETS.	
I. Metallic Reserve at home	13.0
(*a*) Gold	13.0
(*b*) Silver and Token coins	—
II. Other items of a Reserve or Cash nature	5.4
III. Assets in and Claims on Foreign Countries	31.6
(*a*) Gold Deposits abroad	—
(*b*) Book Balances and Credits abroad	31.6
IV. Commercial Bills	7.1
(*a*) Inland	6.1
(*b*) Foreign	1.0
V. Securities and Investments	0.1
(*a*) Government	0.1
(*b*) Other	—
VI. Loans and Advances	4.4
(*a*) to the Government	—
(*b*) on Government securities	4.4
(*c*) Other	
VII. Sundries (including Premises, etc.)	0.1
VIII. Total Assets	**61.7**
LIABILITIES.	
IX. Capital	8.0
X. Reserve Funds, etc.	0.8
XI. Profit and Loss and Dividends Accounts	0.9
XII. Notes in circulation	9.8
XIII. Post Bills, Cheques, etc., in circulation	—
XIV. Current Accounts	25.4
(*a*) Government	10.8
(*b*) Other	14.6
XV. Other Deposits	14.8
(*a*) Government	13.4
(*b*) Other	1.4
XVI. Sundries	2.0
XVII. Total Liabilities	**61.7**

LATVIA

Table 14.

LATVIA

Lats (000,000's omitted) at the end of

December 1923	March 1924	June 1924	September 1924	December 1924
18.0	12.4	12.3	12.5	10.7
12.4	4.2	4.5	5.0	5.0
5.6	8.2	7.8	7.5	5.7
8.5	5.8	9.6	10.7	8.0
52.6	59.8	57.8	52.5	59.8
4.3	15.5	16.5	18.6	18.6
48.3	44.3	41.3	33.9	41.2
22.3	27.4	38.6	49.5	52.1
20.1	25.1	34.3	42.3	46.0
2.2	2.3	4.3	7.2	6.1
0.1	0.1	0.1	0.1	0.1
0.1	0.1	0.1	0.1	0.1
—	—	—	—	—
18.5	29.0	35.4	40.6	50.7
—	—	—	—	—
18.5	29.0	35.4	40.6	50.7
0.2	0.9	2.2	2.0	1.0
120.2	**135.4**	**156.0**	**167.9**	**182.4**
10.2	10.2	10.2	10.2	10.2
0.9	0.9	1.0	1.0	2.0
0.2	—	—	—	—
21.2	21.9	22.2	22.0	26.3
—	—	—	—	—
60.5	58.7	60.3	62.6	64.0
19.1	22.4	22.1	17.7	18.6
41.4	36.3	38.2	44.9	45.4
22.6	41.2	57.9	65.5	69.6
20.5	39.0	54.5	60.1	62.3
2.1	2.2	3.4	5.4	7.3
8.7	2.5	4.4	6.6	10.3
120.2	**135.4**	**156.0**	**167.9**	**182.4**

LATVIA.

Notes.

The creation of the Bank of Latvia at the end of 1922 formed an integral part of the general monetary reform resulting in the establishment of a new currency system on a gold basis. The Bank of Latvia is a State institution. The Bank council is appointed by the Government, but its members are irrevocable before the expiration of their mandate. The Government can veto any decision of the council, but it has no statutory right to impose any prescriptions or directions on the Council, and the Bank is not allowed to grant any direct loans to the Government [1].

Metallic reserves. — Coinage.

The Government gold reserve shown separately in Table IV (Vol. I) is deposited with the Bank of Latvia on the " State Deposits and Special Means " account, included in the Government deposits in group XV (*a*) of Table 14 above, and forms part of the reserve figures given under I (*a*) and III (*a*), although it is not at the free disposal of the Bank. This Government gold, which, since February 1924, like the Bank's gold reserve proper, is held mainly on deposit with the Bank of England but without being included in that bank's reserve, is considered as part of the guarantee fund for the State notes. It does not serve, therefore, legally as cover for the banknotes. Certain minor discrepancies between the gold figures as given in the bank balances (and Table 14) and those shown in Table IV (Vol. I), which table is based on statements received from the Finance Ministry, are due mainly to a different accounting of the gold held by certain branches of the Bank.

Foreign assets.

The Bank's assets in stable foreign currency consisting of the foreign balances in group III (*b*), inclusive of insignificant amounts of foreign banknotes, and the foreign bills in group IV (*b*), II of Table 14, are according to the statutes considered equivalent to gold as cover for the banknotes. In addition to the central bank's holdings of foreign currency, the Credit Department of the Ministry of Finance disposes of certain balances with foreign banks shown separately in Table V (Vol. I). The decrease in these balances in 1924 was due to repayments on the foreign debts of the State.

Money circulation.

During the first years of the Latvian Republic, the Government expenditure was largely met by the issue of State notes (Latvian roubles). Latvia's exchange position was also aggravated by the then existing commercial prohibitions and restrictions. In the course of 1921, however, these restrictions, inclusive of a stipulation concerning compulsory delivery to the Government of foreign exchange, were gradually abolished. Moreover, with a view to increasing the State revenue and stabilising the currency, a new Customs tariff was introduced fixing the rates in gold francs, which came into force on July 20th, 1921. By a law of June 14th, the gold franc was also approved as legal unit of account and was quoted officially on the Riga Exchange; but all payments were still to be made in Latvian roubles. As a result of the new and more liberal commercial policy, the trade conditions improved and the State revenue increased considerably, whereas, on the other hand, the expenditure was reduced by suppression of various State undertakings. Thanks to this improvement of the Government finances, the State note issue for budgetary purposes was stopped by the end of 1921. These various measures reacted favourably on the exchanges, and in the middle of November the rouble was stabilised at the rate of 50 roubles to one

[1] For further details concerning the establishment and administration of the Bank of Latvia and the composition of the various items of Table 14 above, see *Memorandum on Central Banks*, 1913 and 1918–1923, pages 252–256.

gold franc. In the middle of 1922 the lat (equivalent to the gold franc) was adopted as the unit of currency[1]. The basic regulations concerning the new money, issued by the Government on August 3rd, 1922, by virtue of the Law of July 16th, 1919, read as follows:

The Latvian money system shall be based on gold. The money unit shall be one lat, containing two million nine hundred and three thousand two hundred and twenty-six ten-millionths (0.2903226) of one gramme of pure gold. The lat is divided into one hundred centimes.

Gold money shall be coined of gold belonging to the State and also of gold delivered by private persons. Gold delivered by private persons for minting shall be accepted at a price determined by the Minister of Finance if the gold is delivered in bars or gold money of other States containing the percentage of gold fixed by the Minister of Finance and if the quantity of gold delivered is not less than one hundred grammes.

Gold money shall be minted in coins of ten and twenty gold latu.

Besides the gold money, small coins shall also be minted of metal, designed by the Cabinet of Ministers upon the proposal of the Minister of Finance. [2]

Gold money may be issued in unlimited quantities, but small coins for not more than 10 latu per head of the population. [2]

All duties, taxes and other payments shall be calculated only in latu. Transactions concluded in Latvia in foreign currency shall be calculated in Latvian currency according to the average Riga Exchange rate of the day of the conclusion of the transaction, which is to be published according to instructions given by the Minister of Finance.

The State Treasury notes shall be legal tender as long as they have not been withdrawn from circulation. As long as they are in circulation, all payments fixed in Latvian roubles may be made in metal coins and vice versa, according to the rate of exchange of the day of the payment, which is to be stipulated by the Minister of Finance in conformity with the Riga Exchange rates. These regulations concern only cases where no particular agreement about the exchange rate has been made.

By a law of March 18th, 1925, certain additions were made to the above regulations, the principles of which, however, remain unchanged.

The Bank of Latvia has the monopoly of issuing banknotes, which are legal tender. According to Article 13 of the Statutes, the notes shall be covered to their full nominal value, as follows:

(1) If the amount of banknotes issued does not exceed 100 millions latu, it must be covered to the extent of not less than 50 per cent by gold or reliable and stable foreign currency, the remainder to be covered by reliable short-term bills.

(2) The banknotes issued in excess of 100 million latu but not in excess of 150 million latu must be covered to 75 per cent by gold or reliable and stable foreign currency.

(3) The banknotes issued in excess of 150 million latu must be covered to their full value by gold or reliable and stable foreign currency.

The banknotes are freely redeemable in gold on demand or in foreign currency.

The Bank of Latvia started to issue lat notes in November 1922. In connection therewith the rate of exchange for all rouble payments to the State was fixed at 50 roubles equals 1 lat (which rate, since then, has in practice been applied everywhere). A maximum limit of 48 million latu — corresponding closely to the rouble circulation at the end of that year — was provisionally set to the issue of Treasury notes, and it was decided to withdraw the rouble notes gradually. By the end of 1924, 150 million roubles (corresponding to 3 million latu) of such notes had been withdrawn. In the autumn of that year, the Government proposed the amalgamation of the two issues by transferring the Treasury notes to the Bank; but this was not approved by Parliament, which voted the maintenance of the note issue of the Treasury. According to the Law on the State Treasury notes of November 24th, 1924, the rouble notes shall be replaced by new Treasury notes in denominations of 1, 2, 5, 10 and 20 latu, the time of withdrawal of the old notes to be fixed by the Minister of Finance. These Treasury notes will be legal tender, but the circulation thereof must not exceed 48 million latu. The State Treasury notes are guaranteed by all the property of the State. The law provides further that "in order to secure stability of the Treasury notes issued, the State shall keep its gold fund (see Table IV, Vol. I) on deposit with the Bank of Latvia. The value of the fund deposited shall equal at least one-fourth of the nominal value

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[1] For further details on the earlier stages of the Latvian currency reform, see *Memorandum on Currency*, 1913–1922, pages 100–101; 1913–1923, page 121.

[2] These paragraphs were amended on March 18th, 1925, as follows:

"Small coins in denominations of 1, 2 and 5 latu shall be minted of silver; but those of 1, 2, 5, 10, 20 and 50 sant. of metal determined by the Cabinet of Ministers.

"Gold coins may be issued in unlimited quantities. The quantity of silver coins issued shall not exceed 30 latu and that of small coins 10 latu per head of the population."

of the Treasury notes issued." The sums given in group II of Table 14 consist mainly of rouble Treasury notes counted at the above rate. In calculating the figures for total note circulation in Table III (Vol. I), these notes have not been deducted as they are not admitted as cover for the banknotes.

It is understood that no gold coins will be minted and put into circulation until a gold circulation has been re-introduced in the United Kingdom.

The coinage of Latvian token money was begun in the spring of 1923. The quarterly figures in millions of latu have been as follows:

Token Money.

End of	Coined	Held by the Credit Dept. as a reserve	Held by the Bank of Latvia	Put into circulation
March 1923	0.8	—	0.6	0.2
June 1923	4.2	0.5	2.9	0.8
September 1923	10.–	2.–	6.1	1.9
December 1923	10.–	1.8	5.6	2.6
March 1924	14.8	1.7	8.2	4.9
June 1924	20.–	3.7	7.8	8.5
September 1924	20.–	1.7	6.8	11.5
December 1924	20.–	1.6	5.3	13.1

Of the amount coined by the end of 1924, 10 millions were in flat silver pieces and the remaining 10 millions in small nickel and bronze coins.

LITHUANIA

ACCOUNTS	BANK OF LITHUANIA — Position in Litai (000,000's omitted) at the end of					
	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
ASSETS.						
I. Metallic Reserve at home	15.2	16.7	24.2	24.6	25.4	30.9
(*a*) Gold	15.2	16.4	24.1	24.5	25.4	30.8
(*b*) Silver and Token coins	—	0.3	0.1	0.1	—	0.1
II. Other items of a Res. or Cash nature	—	5.6	—	—	—	—
III. Assets in and Claims on For. Countr.	17.9	46.5	56.8	55.4	50.5	63.2
(*a*) Gold Deposits abroad	—	—	—	—	—	—
(*b*) Book Bal. and Credits abroad	17.9	46.5	56.8	55.4	50.5	63.2
IV. Commercial Bills						
(*a*) Inland						
(*b*) Foreign						
V. Securities and Investments						
(*a*) Government	8.6	16.5	25.5	30.9	32.4	34.5
(*b*) Other						
VI. Loans and Advances						
(*a*) to the Government						
(*b*) on Government securities						
(*c*) Other						
VII. Sundries (including Premises, etc.)	3.2	10.8	20.3	26.2	38.9	28.6
VIII. Total Assets	**44.9**	**90.5**	**126.8**	**137.1**	**147.2**	**157.2**
LIABILITIES.						
IX. Capital	12.0	12.0	12.0	12.0	12.0	12.0
X. Reserve Funds	—	—	—	0.1	0.1	0.1
XI. Profit and Loss and Divid. Accounts	—	—	—	—	—	2.9
XII. Notes in circulation	30.4	60.0	71.2	67.9	74.5	93.0
XIII. Post Bills, Cheques, etc., in circul.	—	—	—	—	—	—
XIV. Current Accounts						
(*a*) Government						
(*b*) Other	0.2	14.1	32.7	42.9	35.6	31.4
XV. Other Deposits						
(*a*) Government						
(*b*) Other						
XVI. Sundries (includ. Pensions Funds)	2.3	4.4	10.9	14.2	25.0	17.8
XVII. Total Liabilities	**44.9**	**90.5**	**126.8**	**137.1**	**147.2**	**157.2**

LITHUANIA

Notes.

The Bank of Lithuania, established in connection with the monetary reform of 1922 introducing a national currency in Lithuania, has the legal status of a private joint stock bank, the greater part of the share capital of which, however, is held by the State. The Government has no direct influence upon the administration of the bank apart from that which it may exercise at the General Meeting of Shareholders or through the Governor who is appointed (and dismissed) by the President of the Republic and has the right of suspensive veto in regard to the decisions of the Bank Board.[1]

Gold and foreign exchange reserves :

Part of the Bank's gold reserve would appear to be held abroad. The sums given under III (*b*) in Table 15 corresponding to the sums shown in Table V (Vol. I) are composed of bank notes, bills of exchange and balances with banks payable in stable foreign currencies, mainly U.S.A. dollars and British pounds. All these items serve as cover for the note circulation.

Securities, loans and advances of the Central Bank :

According to Article 16 of the Bank Act, the Bank is not allowed to acquire public or State-guaranteed securities in excess of one-third of its capital. Moreover, according to Article 17 (5) it is not permitted to transact any operations with the State which are not indicated in the Bank Act or the Bye-laws. These regulations only admit the discounting of bills of a true commercial character and do not contain any provisions concerning direct advances to the State.

Note circulation :

Before the establishment of the Bank of Lithuania, only foreign currencies such as Ost-roubles, Ost-mark, German mark and dollars had been circulating in the country. No reliable data exist for gauging the exact quantity of these various currencies in circulation.[2] On August 16th, 1922, simultaneously with the establishment of the Central Bank, a monetary law was promulgated by which the new unit of currency, the litas, containing 0.150462 of 1 gramme of fine gold, and thus equal to $0.1, was introduced. The litas is divided into 100 centu. The monopoly of note issue was given to the Bank of Lithuania, which began its operations on September 28th, and made its first issue of litas notes on October 1st, 1922. According to the August monetary law, the Bank was obliged to exchange the Ost-roubles, Ost-mark and German mark circulating in Lithuania for its own notes within three months at the rate fixed weekly or more often by the Minister for Finance, Trade and Industry. By Decree of October 4th, however, a general rate of 200 mark to the litas for transactions with the Government was fixed for the whole of October. The State loans repayable before October 1st, the payment of which had been delayed, were to be met at 175 mark to the litas. The same rate was used for the conversion of deposits in State banks, which, after November 1st, were to be repayable in litu only. All debts of the municipalities and other institutions and of private persons, falling due after October 1st, were to be paid in litu at the day's rate of exchange. From October 15th, all railway, post, telegraph and similar charges were fixed in litu. As it proved impossible to complete the conversion within the time originally fixed, the period of conversion was later extended. There are no statements available concerning the amounts of foreign currency actually converted.

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[1] For further details on the establishment and administration of the Bank, see *Memorandum on Central Banks*, 1913 and 1918-1923, page 260.

[2] For further details on the currency conditions in Lithuania before the 1922 currency reform, see *Memorandum on Currency*, 1913-1923, page 122.

According to Article 12 of the Bank Act and Article 24 of the Bye-laws, not less than one-third of the amount of banknotes in circulation must be covered by gold and the remainder by "easily realisable securities" calculated at a value not exceeding their Stock Exchange price. On December 31st, 1923, only a little more than one-fourth of the notes in circulation was covered by actual gold; but by the end of March 1924 the legal minimum ratio of gold to notes was again restored. It will be observed that the note circulation never exceeded the total amount of the Central Bank's gold reserve and foreign assets. The banknotes are legal tender and, according to Article 13 of the Bank Act (Article 25 of the Bye-laws), they "must be accepted on a par with gold coin". In a note to the same Article, it is said that "the Minister of Finance, Commerce and Industry fixes the procedure for the conversion of banknotes into gold". The compulsory gold redemption of the banknotes would appear not to have been introduced at the end of 1924.

LUXEMBURG

By the Law of December 20th, 1848, the franc was adopted in place of the Dutch florin as the unit of reckoning in the Grand-Duchy. The Luxemburg franc, as distinguished from the French and Belgian francs, was merely a unit of account, payments being actually carried out in German currency at the rate of 1.25 fr. to the mark, as fixed by the Grand-Ducal Decree of December 2nd, 1876. This position continued until the armistice.

After the armistice, by the Grand-Ducal Decree of December 11th, 1918, all German money was withdrawn from circulation and was exchanged for Luxemburg Treasury notes at the rate of 1.25 fr. to the mark. This Luxemburg State paper money, which was issued in values of 0.50 to 500 francs and had been put into circulation by the Grand-Ducal Government as early as November 1914, was covered solely by the German paper and silver marks which had been withdrawn from circulation, the gold marks having been hoarded.

Such was the position until the Convention of Economic Union between Luxemburg and Belgium, dated July 25th, 1921, and put into force on May 1st, 1922. According to Article 22 of this Convention:

"With a view to enabling the Luxemburg Government to carry out the exchange against Belgian bank-notes of the provisional notes now in circulation, which were issued for the purpose of the exchange of marks, the Luxemburg Government shall float a loan of 175,000,000 francs which shall be issued in Belgium, through the National Bank, at such rate as may be necessary. The Luxemburg Government shall receive the yield of this loan in Belgian bank-notes.... The Luxemburg Government is also authorised to retain in circulation, within the Grand-Ducal territory, notes of values not exceeding 10 francs up to a total of 25,000,000 francs."

In pursuance of this article, all Luxemburg Treasury notes of values from 25 to 500 francs were exchanged against notes of the National Bank of Belgium.

The present position is thus as follows:

1. The Luxemburg franc is equal to the Belgian franc;

2. The currency in circulation in the Grand-Duchy comprises:
   - (*a*) All Belgian silver, copper and paper money;
   - (*b*) Luxemburg 10 and 5 centime pieces;
   - (*c*) Luxemburg Treasury notes of 10, 5, 2 and ½ francs;
   - (*d*) Notes of the International Bank.

NETHERLANDS

Table 16. NETHERLANDS

ACCOUNTS	NETHERLAND Position		
	March 1914	March 1919	March 1920
ASSETS.			
I. Metallic Reserve at home	169.7	678.6	645.3
(*a*) Gold	160.1	669.0	634.8
(*b*) Silver and Token coins	9.6	9.6	10.5
II. Other items of a Reserve or Cash nature	0.1	0.7	1.1
III. Assets in and Claims on Foreign Countries	1.1	98.8	38.8
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	1.1	98.8	38.8
IV. Commercial Bills	73.6	45.2	126.8
(*a*) Inland	54.6	37.7	72.8
(*b*) Foreign	19.0	7.5	54.0
V. Securities and Investments	9.0	8.6	7.6
(*a*) Government	—	—	—
(*b*) Other	—	—	—
VI. Loans and Advances	95.9	311.5	355.9
(*a*) to the Government	10.4	108.9	140.3
(*b*) on Government securities	85.5	202.6	215.6
(*c*) Other			
VII. Sundries (including Premises, etc.)	2.3	5.0	5.3
VIII. Total Assets	**351.7**	**1,148.4**	**1,180.8**
LIABILITIES.			
IX. Capital	20.0	20.0	20.0
X. Reserve Funds	5.0	5.0	5.0
XI. Profit and Loss and Dividends Accounts	2.7	4.2	2.8
XII. Notes in circulation	312.8	1,023.2	1,051.7
XIII. Post Bills, Cheques, etc., in circulation	1.9	2.3	2.1
XIV. Current Accounts	9.0	92.9	97.6
(*a*) Government	—	—	—
(*b*) Other	9.0	92.9	97.6
XV. Other Deposits	—	—	—
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XVI. Sundries (including Pension Funds)	0.3	0.8	1.6
XVII. Total Liabilities	**351.7**	**1,148.4**	**1,180.8**

NETHERLANDS

Table 16.

NK

den (000,000's omitted) at the end of

March 1921	March 1922	March 1923	March 1924	June 1924	Sept. 1924	Dec. 1924	March 1925
637.6	611.8	588.7	578.7	541.8	540.4	517.2	525.3
621.2	606.1	582.0	569.5	531.5	529.1	504.6	504.5
16.4	5.7	6.7	9.2	10.3	11.3	12.6	20.8
0.9	0.7	0.6	0.3	?	?	?	?
41.7	17.9	22.5	29.3	?	?	?	?
—	—	—	—	—	—	—	—
41.7	17.9	22.5	29.3	?	?	?	?
155.1	200.3	251.9	191.0	238.6	176.2	231.7	225.1
138.1	159.3	136.8	167.7	144.6	135.9	119.7	93.5
17.0	41.0	115.1	23.3	94.0	40.3	112.0	131.6
8.9	9.5	11.6	20.1	20.1	20.1	9.7	9.7
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
301.3	223.1	164.0	255.5	166.1	208.9	183.6	176.5
72.7	63.5	14.3	90.4	6.2	14.9	11.8	14.5
228.6	159.6	149.7	165.1	159.9	194.0	171.8	162.0
7.2	7.1	7.7	6.5	104.4	93.6	102.3	60.7
,152.7	**1,070.4**	**1,047.0**	**1,081.4**	**1,071.0**	**1,039.2**	**1,044.5**	**997.3**
20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
5.4	7.3	15.0	13.9	13.9	13.9	13.9	13.9
4.2	3.4	1.6	1.8	—	—	—	—
,052.3	996.1	965.7	1,018.0	983.0	971.7	935.4	898.4
2.6	1.1	0.8	2.0	1.5	1.5	1.5	1.2
66.1	40.1	40.9	21.9	47.3	22.2	59.3	43.3
—	—	—	—	—	—	—	—
66.1	40.1	40.9	21.9	47.3	22.2	59.3	43.3
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
2.1	2.4	3.0	3.8	5.3	9.9	14.4	20.5
,152.7	**1,070.4**	**1,047.0**	**1,081.4**	**1,071.0**	**1,039.2**	**1,044.5**	**997.3**

NETHERLANDS

Notes.

Whereas Tables III and IV (Vol. I) refer to the end of calendar years, Table 16 above (apart from the quarterly columns for 1924) refers to the end of March each year, on which date the financial year of the Central Bank is closed. Some items, such as the balances with foreign correspondents, certain loans, etc., are not shown separately in the weekly returns, on which the quarterly statements are based, but are grouped under "sundry assets". These items of the quarterly statements, therefore, are not strictly comparable with those of the annual statements in Table 16. Table V (Vol. I) likewise refers to the end of March each year, the only date when the Central Bank's foreign balances are shown separately.

Metallic reserve and note circulation:

The decrease in the metallic reserve shown in the tables is due mainly to sales of gold to the United States of America. The exports of gold in coin and bars by the general public, however, remained probibited under the Royal Decree of August 8th, 1914, up to the end of April 1925. On the 28th of that month, the Minister of Finance announced in Parliament — simultaneously with the British budget speech — that this and later decrees prohibiting the exports of gold would be abolished as from April 29th, 1925. This will enable the Netherlands Bank to put into effect its declaration of 1903, invalidated by the above decree of 1914. This declaration is as follows:

> With a view to continuing the gold policy hitherto pursued, the Board of Directors of the Netherlands Bank gives the Government an undertaking that, when the foreign rates of exchange rise above gold parity, it will allow its gold reserve to become available for export, so long as its resources permit, at the rate of F. 2,653.44 per kilogram of fine gold in bars, and at corresponding rates for gold in specie.

The return to pre-war conditions is however conditional, in so far that, according to the statement of the Minister of Finance, the Netherlands Bank is not prepared for the time being to deliver gold for export to countries other than the United States, the Dutch East Indies, the United Kingdom, South Africa, Australia and New Zealand.

The Bank does not redeem its notes in gold coins for internal circulation, and gold is delivered for export only when the rates of exchange have risen above the gold parity, the Bank reserving the right to supervise the shipments of the gold delivered. For the future, gold will not be delivered for export to countries which restrict the import and export of gold. The above restrictions in regard to the pre-war gold standard are applied also in the Dutch East Indies, which acted simultaneously with the mother-country in the matter.

According to a Royal Decree of 1880, a minimum metallic cover of 40% must be maintained against the demand liabilities of the Central Bank (groups XII, XIII and XIV of Table 16). At the outbreak of the war, this minimum was reduced by a new decree to 20%, and the ratio actually fell below 40% in the autumn of 1914, the lowest point reached being 32.6% in the middle of October. In December the proportion of 40% metallic cover was again reached and has since been maintained above that level (at 50 to 60%).

The State notes shown in Table III (Vol. I) are of small denominations. They are called "silver bonds" and were issued by the Government to supplement and replace silver in circulation.

Securities and advances of the Central Bank.

The securities shown in group V of Table 16 represent "investments in stocks" of the Bank's reserve

funds and one-fifth of its capital. The advances to the Government in group VI of the table were composed as follows:

Gulden (000,000's omitted).

End of	March 1914	March 1919	March 1920	March 1921	March 1922	March 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Treasury bills discounted	1.–	94.–	127.–	58.–	48.5	4.–	78.–	—	—	—
Advances to the Government free of interest.	9.4	14.9	13.3	14.7	15.–	10.3	12.4	6.2	14.9	11.8
Total .	10.4	108.9	140.3	72.7	63.5	14.3	90.4	6.2	14.9	11.8

The above figures for Treasury bills discounted do not include bills "placed indirectly with the Bank" which are not shown separately in the published returns.

(See also note on the Dutch East Indies.)

Table 17. NORWAY

ACCOUNTS	1913	1918
ASSETS.		
I. Metallic Reserve at home	45.9	123.0
(*a*) Gold	44.4	122.0
(*b*) Silver and Token coins	1.5	1.0
II. Other items of a Reserve or Cash Nature	—	0.3
III. Assets in and Claims on Foreign Countries	29.8	73.0
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	29.8	73.0
IV. Commercial Bills	68.8	253.5
(*a*) Inland	65.3	253.5
(*b*) Foreign	3.5	—
V. Securities and Investments	13.4	18.7
(*a*) Government	—	3.0
(*b*) Other	13.4	15.7
VI. Loans and Advances	7.7	175.5
(*a*) to the Government	—	2.0
(*b*) on Government securities	—	—
(*c*) Other	7.7	173.5
VII. Sundries (including Premises, etc.)	1.8	0.4
VIII. Total Assets	**167.4**	**644.4**
LIABILITIES.		
IX. Capital	25.0	35.0
X. Reserve Funds	16.5	39.6
XI. Profit and Loss and Dividends Accounts, etc.	3.5	4.3
XII. Notes in circulation	107.6	436.2
XIII. Post Bills, Cheques, etc., in circulation	0.3	0.5
XIV. Current Accounts	12.6	127.1
(*a*) Government	3.2	—
(*b*) Other	9.4	127.1
XV. Other Deposits	1.5	1.0
(*a*) Government	1.5	1.0
(*b*) Other	—	—
XVI. Sundries (including Pension Funds)	0.4	0.7
XVII. Total Liabilities	**167.4**	**644.4**

NORWAY

Table 17.

BANK OF NORWAY

Position in Kroner (000,000's omitted) at the end of

919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
8.9	148.0	148.2	148.2	176.8	161.7	167.5	170.3	170.6
7.7	147.3	147.3	147.3	147.3	147.3	147.3	147.2	147.2
1.2	0.7	0.9	0.9	29.5	14.4	20.2	23.1	23.4
0.1	—	—	—	—	—	—	—	—
6.2	58.3	42.5	53.3	27.7	29.0	27.6	45.0	46.6
—	—	—	—	—	—	—	—	—
6.2	58.3	42.5	53.3	27.7	29.0	27.6	45.0	46.6
9.8	449.3	419.7	363.9	323.5	290.7	317.1	316.2	244.3
9.8	449.3	419.7	363.9	323.5	290.7	317.1	316.2	244.3
—	—	—	—	—	—	—	—	—
5.9	14.3	21.7	61.9	33.8	33.9	33.7	33.6	25.3
2.4	2.0	2.6	2.8	2.6	2.6	2.6	2.6	2.5
3.5	12.3	19.1	59.1	31.2	31.3	31.1	31.0	22.8
5.8	42.7	23.9	25 5	56.3	48.7	58.4	37.0	62.3
0.4	0.2	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
5.4	42.5	23.9	25.5	56.3	48.7	58.4	37.0	62.3
0.7	8.4	13.5	22.2	46.7	51.6	48.6	58.5	66.1
7.4	**721.0**	**669.5**	**675.0**	**664.8**	**615.6**	**652.9**	**660.6**	**615.2**
5.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
2.5	54.8	64.5	64.0	50.9	50.8	50.8	50.8	42.6
4.3	4.3	3.6	3.2	2.9	6.8	13.9	21.1	2.9
4.3	491.9	419.0	394.3	406.4	390.0	405.2	399.1	401.7
4.1	0.8	2.2	1.0	1.0	0.9	1.6	1.5	0.8
5.7	132.5	143.3	164.8	115.9	96.9	107.9	125.8	108.0
—	—	2.7	19.1	0.9	12.1	30.3	52.6	8.4
5.7	132.5	140.6	145.7	115.0	84.8	77.6	73.2	99.6
1.2	0.7	0.9	12.4	35.1	20.0	25.8	23.1	23.4
1.2	0.7	0.9	0.9	29.5	14.4	20.2	23.1	23.4
—	—	—	11.5	5.6	5.6	5.6	—	—
0.3	1.0	1.0	0.3	17.6	15.2	12.7	4.2	0.8
7.4	**721.0**	**669.5**	**675.0**	**664.8**	**615.6**	**652.9**	**660.6**	**615.2**

NORWAY

Notes.

Metallic reserve — New coinage.

The divisionary coins held by the Bank of Norway are not considered as part of its metallic reserve but are treated, in its balance-sheets, as a special deposit of the Treasury. It will be observed, therefore, that the reserve of token coins shown under I (*b*) in Table 17 above is counter-balanced by the Government deposit under XV (*a*). The increase in these deposits in 1923 was due to the fact that, especially towards the end of that year, considerable amounts of silver coins were presented by the Swedish Riksbank for redemption under the Scandinavian Monetary Convention.

On account of the depreciation in post-war years of the Norwegian currency in relation to the currencies of the other Scandinavian countries, and more especially Sweden, great quantities of Norwegian silver coins had found their way to Sweden, to which country there was also a large influx of Danish divisionary coins, these coins being accepted by the public on the same terms as Swedish coins under the Scandinavian Monetary Convention. By this Convention, the central banks in the contracting countries had the reciprocal right to claim gold in exchange for the silver coins of the other countries accrued to their reserves, this exchange to be made at the face value of the silver coins. Owing to the inconveniences involved by these conditions, the export of silver coins had been prohibited in Norway and Denmark. It continued, however, in the form of smuggling. On the invitation of the Norwegian Government, therefore, an Inter-Scandinavian Coinage Conference was held in Oslo at the end of October 1923, followed by another Conference in Stockholm in the middle of December resulting in an amendment ("additional article") to the Convention. According to this amendment, which was ratified by the three Governments on April 5th, 1924, each country may, in spite of the Convention, which, formally, is not rescinded, issue coins which will be legal tender only in the country where they are issued. Such coins, however, must differ in appearance from the coins which up to then had been coined under the Convention. (Until new coins were minted, a hole was stamped in the middle of the old coins.) The provisions of the Convention do not apply to coins which, under this amendment, are legal tender only in the country where they are issued. On the other hand, divisionary coins minted under the Convention in one of the contracting countries ceased to be legal tender in the other countries six months after the coming into force of the amendment (April 6th, 1924). Since October 6th, 1924, therefore, the Scandinavian Monetary Convention has been inoperative.

Moreover, by virtue of special power accorded to the Government by the law of March 18th, 1924, authorising the issue of new coins under the "additional article" of the Convention, the old Norwegian divisionary coins have been demonetised and exchanged for new legal-tender coins or notes. The objects of this measure were to prevent further smuggling and to get hold of the silver hoardings in private possession.

According to an agreement between the respective Governments and central banks, the redemption of the Norwegian divisionary coins received from the Swedish Riksbank has been postponed to January 2nd, 1929, against delivery to that Bank of Norwegian State bonds of an equal value made out in Swedish kronor and bearing interest at 4½ per cent.

It may be added that divisionary coins are legal tender only for restricted amounts (up to 20 kroner).

Foreign assets:

Up to the end of 1920, balances with foreign banks at the free disposal of the Bank of Norway were, within certain limits, legally considered equivalent to gold and were included in the metallic reserve. Since the end of December 1922, the figures for "balances abroad" given in Table V (Vol. I) and in group III (*b*) of Table 17 above include, in addition to the balances with foreign banks, certain "other balances abroad", representing assets which are not placed in foreign banks. The composition was as follows:

Kroner (000,000's omitted).

End of	Balances with foreign banks	Other balances abroad	Total
December 1922	41.6	11.7	53.3
March 1923	23.8	9.8	33.6
June »	20.7	9.8	30.5
September »	20.–	10.–	30.–
December »	18.3	9.4	27.7
March 1924	19.4	9.6	29.–
June »	17.9	9.7	27.6
September »	35.–	10.–	45.–
December »	36.9	9.7	46.6

Apart from these foreign balances, the Bank, as shown in Table V (Vol. I), disposed of a certain amount of foreign State bonds included under Group V (*b*) of Table 17.

Investments, loans and advances:

In recent years the Government has had recourse to the Central Bank for direct advances only in exceptional cases and for short periods. The increase in the loan figures of the Bank in 1923 and 1924 as compared with preceding years is mainly due to the assistance accorded by the Bank of Norway to the private banks on account of the severe credit crises in that country. On the other hand, the increase in the investments at the end of 1922 was due chiefly to an increase in the holdings of bank shares and long-term credits *(Indskud)* advanced to banks, thus reflecting the activities of the Bank of Norway in supplying fresh capital in the beginning of the crises to certain banks which were in difficulties. The Bank has not continued in that way in recent years.

Note circulation:

Under the law of April 23rd, 1892, with amendments of May 19th, 1900, and July 19th, 1912, the Bank of Norway was authorised to issue notes up to an amount corresponding to:

(*a*) The total of its gold reserve at home and up to 3,000,000 kroner of non-interest-bearing balances with the National Bank in Copenhagen and the Bank of Sweden;
(*b*) Other balances disposable with banks abroad not exceeding one-third of its gold reserve at home;
(*c*) An additional issue of 45,000,000 kroner.

If the note circulation exceeded the above limits the Bank had to pay to the Government a tax calculated at 6 per cent per annum on the amount in excess, this tax rising by another ½ per cent every new month in which the excess prevailed.

In 1916, these limits proved to be too narrow, and the law was slightly modified by an amendment of July 21st of that year. As metallic cover for the notes in circulation were to be considered:

(*a*) The gold reserve held at the Bank and at the Royal Mint;
(*b*) Non-interest-bearing balances with the National Bank in Copenhagen and the Bank of Sweden up to an amount of 6 million kroner;
(*c*) Other balances disposable with banks abroad up to an amount not exceeding 50 per cent of the gold reserve at home;
(*d*) At the same time the additional uncovered issue was increased to 70,000,000 kroner.

In 1917, these extended limits were greatly exceeded, and at the end of 1918 the part of the note circulation subject to the special tax represented more than 40 per cent of the total circulation. The conditions did not change in 1919 and 1920, and on November 26th, 1920, the law was completely changed. Under the new regulations, the Bank is authorised to issue notes up to an amount which may exceed its gold reserve at home by 250,000,000 kroner. With the consent of Parliament, the King may, in case of emergency, further extend the limit for the authorised issue. This was done immediately and the limit was temporarily extended by 100,000,000 kroner. In the course of the years 1921 and 1922, the limit of the extraordinary issue was reduced to 25,000,000 kroner.

The above stipulations of November 26th, 1920, do not apply to the circulation of notes of small denominations (1 and 2 kroner) which, according to the law of December 14th, 1917, modified by an amendment of December 15th, 1920, are issued by the Bank of Norway, though under the control of the Treasury, to replace temporarily silver coins until sufficient new divisionary coins have been minted. These notes, which are uncovered, are, like the divisionary coins, legal tender only for amounts up to 20 kroner. For the divisionary notes thus issued, the Bank pays to the Treasury a tax of 3 per cent per annum below the bank rate. As these notes constitute a liability of the Bank, they are included in the figures for the note circulation given in Table 17. In Table III (Vol. I), however, they are shown separately.

Table 18

POLAND

ACCOUNTS	NATIONAL Position in Mkp.		
	1918	1919	1920
ASSETS.			
I. Metallic Reserve at home	—	33.3	50.0
(*a*) Gold	—	6.9	12.4
(*b*) Silver and Token coins	—	26.4	37.6
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	792.2	2,629.4	4,360.1
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	792.2	2,629.4	4,360.1
IV. Commercial Bills	6.4	4.1	609.7
(*a*) Inland	6.4	4.1	609.7
(*b*) Foreign	—	—	—
V. Securities and Investments	0.2	1.1	4.9
(*a*) Government	0.2	1.1	4.9
(*b*) Other	—	—	—
VI. Loans and Advances	301.8	7,231.7	64,924.7
(*a*) to the Government	287.5	7,087.0	61,350.3
(*b*) on Government securities	7.0	58.4	2,643.6
(*c*) Other	7.3	86.3	930.8
VII. Sundries (including Premises, etc)	40.2	498.5	6,560.4
VIII. Total Assets	**1,140.8**	**10,398.1**	**76,509.8**
LIABILITIES.			
IX. Capital	—	—	—
X. Reserve Funds, etc.	13.3	1,315.4	2,982.0
XI. Profit and Loss and Dividends Accounts, etc.	6.1	—	3,298.7
XII. Notes in circulation	1,024.3	5,316.3	49,361.5
XIII. Post Bills, Cheques, etc., in circulation	—	146.4	233.2
XIV. Current Accounts	88.1	2,907.1	15,153.2
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XV. Other Deposits	0.6	145.1	228.5
(*a*) Government	—	145.1	228.5
(*b*) Other	0.6	—	—
XVI. Sundries (including Pensions Funds)	8.4	567.8	5,252.7
XVII. Total Liabilities	**1,140.8**	**10,398.1**	**76,509.8**

Table 18

POLAND

LOAN BANK (000,000's omitted) at the end of			BANK OF POLAND Position in Zlotys (000,000's omitted) at the end of			
1921	1922	1923	April 1924	June 1924	September 1924	December 1924
68.8	86.4	75.9	78.1	83.4	99.9	130.9
24.9	41.0	55.0	55.6	83.4	99.9	103.4
43.9	45.4	20.9	22.5	—	—	27.5
40.9	58.1	81,297.1	—	—	—	—
28,010.9	105,198.4	62,131,920.2	323,013,801.3	257.0	233.6	269.0
—	—	—	—	—	—	—
28,010.9	105,198.4	62,131,920.2	323,013,801.3	257.0	233.6	269.0
15,324.4	133,400.8	20,588,037.9	199,248,956.4	138.9	233.8	257.0
15,324.4	133,400.8	20,588,037.9	199,248,956.4	138.9	233.8	257.0
—	—	—	—	—	—	—
24.9	5,918.7	1,534,220.7	964,937.4	—	—	—
24.9	5,918.7	1,534,220.7	964,937.4	—	—	—
—	—	—	—	—	—	—
249,549.0	749,957.4	145,750,582.5	363,049,534.4	5.8	41.4	52.8
230,249.0	702,053.3	117,685,185.6	291,707,649.2	—	32.2	20.8
12,741.3	25,951.5	15,140,395.9	71,341,885.2	5.8	9.2	32.0
6,558.7	21,952.6	12,925,001.0				
6,757.1	34,124.7	3,980,627.6	131,807,901.3	55.5	52.8	41.6
299,776.0	**1,028,744.5**	**234,066,761.9**	**1,018,085,208.9**	**540.6**	**661.5**	**751.3**
—	—	—	—	90.2	100.0	100.0
15,248.6	36,332.0	17,414,454.9	22,445,829.6	—	—	—
2,964.3	19,015.8	6,031,371.7	—	—	—	12.0
229,537.6	793,437.5	125,371,958.4	570,697,550.5	334.4	460.4	550.9
597.9	15,090.6	9,928,220.7	10,053,104.1	—	—	—
48,416.1	142,035.8	74,733,014.3	395,737,895.7	109.9	83.7	84.3
29,440.1	11,869.2	—	—	8.5	6.5	6.4
18,976.0	130,166.6	—	—	101.4	77.2	77.9
68.8	178.2	24,063.4	—	—	—	—
68.8	178.2	24,063.4	—	—	—	—
—	—	—	—	—	—	—
2,942.7	22,654.6	563,678.5	19,150,829.0	6.1	17.4	4.1
299,776.0	**1,028,744.5**	**234,066,761.9**	**1,018,085,208.9**	**540.6**	**661.5**	**751.3**

POLAND

Notes.

The National Loan Bank and the Bank of Poland:

The figures in Polish marks refer to the National Loan Bank and those in zlotys to the new Bank of Poland. The Loan Bank, established in April 1917 during the German occupation, was recognised by a decree of December 14th, 1918, as the sole bank of issue of the Polish State until the creation of the Bank of Poland. It was a pure Government institution, which issued notes on behalf of the State under the control of the Minister of Finance. The issues were made mainly in the form of advances to the Treasury to cover the budget deficit.

On December 6th, 1923, a law was voted, in connection with the financial reform, under which all payments to the Government were, after January 1st, 1924, to be made on a gold basis, the unit of account thus adopted being the zloty, equivalent to a gold franc and based on the price of gold in London.

On January 11th, a law on the "Reconstruction of the Treasury and the Reform of the Currency" was passed by Parliament and came into force on the 15th of that month. This law, called the Emergency Powers Act, accorded, for a period to expire on June 30th but extended later for another half-year, very wide powers to the Government. In regard to the currency reform, this Act authorised the Government "to establish and introduce a new monetary system on a gold basis" . . . "to fix the relation between the Polish mark and the new currency unit" . . . "to establish the conditions for the liquidation of the National Loan Bank" and "to organise a bank of issue in the form of a limited liability company under State control and with the participation of the State".

On February 1st, 1924, the power of the Treasury to contract debts at the National Loan Bank was removed and the Bank itself placed under the control of a special committee set up for the purpose of organising the new bank of issue.

By decrees of January 20th and April 23rd, 1924, the zloty containing 9/31 parts of a gramme of pure gold was introduced as the new currency unit. The Statutes of the Bank of Poland were sanctioned by another decree of January 20th, 1924. The Bank has a share capital of 100 million zlotys, of which the Government holds as a result of allotments on subscriptions about 1 per cent. It is under the administration of a Board of twelve members elected by the shareholders, and a President and Vice-President appointed by the President of the Republic for 5 years. The Minister of Finance has the right of vetoing (within three days) the election of any member on the Board. The chief manager and the other members of the Executive Committee are nominated by the Board, but their appointment has to be approved by the Minister of Finance. Members of the Diet, State officials and officers on the active list are not elig ble to the Board or to the Executive Committee.

The Bank President can put a veto on any decision of the Board or the Executive Committee, but his veto has to be approved by the Minister of Finance within three days. He may be dismissed by the Government, but only after enquiry by a special commission. The Minister of Finance may appoint a permanent Bank Commissioner to watch the interests of the State. The Commissioner has the right to attend the meetings of the Board and the Executive Committee in a consultative capacity.

The Bank must not make any advances to the Government except a limited credit opened in favour of the Treasury in exchange for the privilege of note issue (for details, see below).

Ten per cent of the annual net profits are to be carried to the reserve fund until it reaches 20 per cent of the share capital. Afterwards, 5 per cent of the net profits are to be reserved for this purpose until the reserve fund reaches 50 per cent of the share capital. From the remainder the shareholders receive a dividend up to 8 per cent. If the net profits, after deduction of the allotments to the reserve, exceed 8 per cent but not 12 per cent of the share capital, one-half of the amount in excess of 8 per cent is assigned as first super-dividend to the shareholders and the other half to the Treasury. Should the net profits prove more than sufficient for the above distribution, then one-third of the excess will be allotted to the shareholders as second super-dividend and the remaining two-thirds to the State.

The Bank of Poland was opened on April 28th, the day before the National Loan Bank was closed and put into liquidation[1]. The greater part of that Bank's commercial assets, together with corresponding liabilities, were taken over by the new Bank, which acts as liquidator of the old.

Metallic and foreign exchange reserves — Exchange policy:

The value in Polish marks of the gold reserve calculated on the basis of the London gold quotations was 17,240 millions on December 31st, 1921; 171,682 millions on December 31st, 1922, and 82,639,932 millions on December 31st, 1923[2]. From a legal point of view, the gold and silver reserve accumulated for the account of the future bank of issue was the property of the Treasury, although it was deposited with the Loan Bank to serve provisionally as metallic reserve of that institution. According to a Decree of November 15th, 1921, they constituted a "National Treasure" not to be used for budgetary purposes. These reserves, therefore, were entered on the liabilities side of the balance-sheet of the Loan Bank (and in group XV of Table 18 above) as a special deposit due to the Treasury. They consisted mainly of gold and silver bought on the market[2] by the Treasury (the necessary funds for these purchases having been advanced by the Loan Bank in the form of notes), and, in addition, of Poland's share of the gold reserve of the former Austro-Hungarian Bank and minor amounts of gold and silver received by the Government as a result of a national collection. 8.9 million marks of the gold reserve shown at the end of 1922 and 1923 were pledged as guarantee for the 8 per cent gold loan of 1922 and, therefore, not at the free disposal of the Treasury. On the other hand, the Russian Soviet Government had deposited with the Loan Bank, under the Treaty of Riga, a certain quantity of precious stones and 5 million gold roubles, which gold was not included in the reserve.

The silver reserve, as shown in the balance-sheets of the Loan Bank and in Table 18 above, was, like the gold reserve, counted at the pre-war parity of the German mark, a calculation being made — when the silver was not in coins — of the amount of German money which could be coined therefrom. A small amount of foreign token coins, likewise included under I (*b*) in Table 18, was counted on the basis of the face value of these coins. The value in gold marks of the reserve in silver and foreign coins calculated on the basis of the London silver quotations was 21 millions on December 31st, 1921; 20.5 millions on December 31st, 1922; 9.7 millions on December 31st, 1923, and 10.5 millions on April 27th, 1924. The reduction of the reserve in 1923 was due to conversion of silver into gold.

The new Bank's holdings of silver and token coins, only shown separately in its balance-sheet from the end of October 1924, represent coins in zlotys or fractions thereof and are calculated at their face value.

When the Bank of Poland was opened, it possessed a gold reserve of about 70 million zlotys, of which 20 millions were derived from share subscriptions, mainly by the Treasury for the account of the State and State officials. The remaining 50 million zlotys were sold by the Government against bank notes used for the repurchase of mark notes in order to redeem part of the Treasury's debt with the Loan Bank. Of the gold reserve with the Loan Bank, which, mainly on account of the incorporation of the 5 million gold roubles mentioned above, had increased to about 88 million zlotys, there thus remained about 18 million zlotys, which were also sold to the Bank in instalments in the period May-July 1924. From the statement on page 126, giving monthly figures for the gold and foreign exchange reserves in 1924, it will be seen that the Bank continued its purchases of gold in the second half-year.

The foreign exchange reserve of the National Loan Bank[3] was composed as follows on the dates given in Table 18:

Mkp. (000,000's omitted).

End of:	1918	1919	1920	1921	1922	1923	April 1924
Foreign bank notes. . .	7.7	169.8	403.7	3,922.4	7,111.7	4,632,140.2	45,672,743.6
Balances abroad, etc. . .	784.5	2,459.6	3,956.4	24,088.5	98,086.7	57,499,780.0	277,341,057.7
Total. . .	792.2	2,629.4	4,360.1	28,010.9	105,198.4	62,131,920.2	323,013,801.3
Value in gold marks					49.3	41.4	154.2

[1] In Table 18 above, the usual end of the March statement has been replaced by a statement of the final position of the Loan Bank.

[2] For further details, see *Memorandum on Central Banks, 1913 and 1918-1923*, pages 286-288.

[3] It will be noted that the foreign bank notes which, in last year's *Memorandum on Central Banks*, were included in group II of the table, in the present edition are grouped together with the other foreign assets in group III in order to make the figures of the old Bank directly comparable with those of the new Bank.

The second item in the above statement includes small amounts of foreign bills. It is not clear from available returns whether the whole of the balances abroad shown for the years 1918-1921 were at the free disposal of the Loan Bank [1]. Moreover, the figures given do not represent net balances, as the Loan Bank, especially in recent years, had considerable liabilities in foreign currency not deducted in the above statement. These liabilities represented, on December 31st, 1923, 50.9 billion [2] paper marks, thus leaving a net reserve of foreign assets of 11.2 billion paper marks, equivalent to only 10 million gold marks or 12.3 million zlotys.

Towards the end of 1923 there was a great acceleration in the depreciation of the paper mark. The dollar rate rose during December from about 3 million to about 6 million marks; in the beginning of January 1924, the official quotation went up to 10 million marks and that of the "black bourse" to 15 million marks. In order to check this collapse, the new Government threw the currency reserve of the Loan Bank on the market. This action, together with the simultaneous financial reform measures, proved successful, and by the end of January the dollar rate dropped to 9.35 million marks. The Loan Bank found itself able to refill its currency reserve from the large amounts of foreign currency which reappeared from private hoardings. A further improvement of the exchange was, however, considered undesirable, and the Loan Bank again intervened, choosing as level of stabilisation the rate of 9.35 million marks to the dollar, or 1.8 million marks to the zloty (gold franc), at which rate it declared itself prepared to sell and buy foreign exchange without limit. This rate later became the legal rate of conversion and valorisation. As a necessary consequence of the above action, the Government had to loosen the foreign exchange regulations which still remained in force. In February, therefore, it granted permission to a number of large banks to open accounts — *i.e.* to receive deposits and grant credits — in foreign currency within Poland. For transactions with foreign countries the following restrictions are in force: the export and transfer of foreign currency exceeding a certain amount is subject to a permit of the Ministry of Finance or certain banks authorised by the Ministry to issue permits, and exporters are bound to sell to the Bank of Poland or banks authorised by the Ministry their foreign balances created by the export trade.

The increase in the exchange reserve of the Loan Bank resulting from the action taken may be judged from the following statement giving the reserve position in zlotys (000,000's omitted) at the end of each month in 1924:

End of	Gold Reserve	Balances abroad, Foreign Bills and Bank Notes	Sight Liabilities in Foreign Currency	Foreign Exchange Net Reserve	Total Net Reserve in Gold and Foreign Exchange
National Loan Bank:					
December 1923	67.9	51.1	38.8	12.3	80.2
January 1924	81.7	64.8	35.4	29.4	111.1
February "	82.3	114.2	30.5	83.7	166.0
March "	83.9	147.3	59.1	88.2	172.1
April "	(*a*) 88.2	190.2	79.3	110.9	199.1
Bank of Poland:					
May 1924	(*b*) 90.4	214.2	27.7	186.5	276.9
June "	(*c*) 92.1	257.0	59.9	197.1	289.2
July "	93.7	272.1	54.2	217.9	311.6
August "	98.3	266.8	66.0	200.8	299.1
September "	99.9	233.6	18.8	214.8	314.7
October "	100.7	241.9	14.4	227.5	328.2
November "	102.8	247.0	17.6	229.4	332.2
December "	103.4	269.0	14.9	254.1	357.5

(*a*) Including 19.5 million zlotys set aside to cover subscriptions on shares of the Bank of Poland for the account of the Treasury and State officials.
(*b*) Including 18.7 million zlotys of Treasury gold not yet sold to the Bank.
(*c*) Including 8.7 million zlotys of Treasury gold not yet sold to the Bank.

[1] For further details, see *Memorandum on Central Banks*, 1913 and 1918-1923, page 289.
[2] 12 zeros omitted.

From the foreign exchange net reserve in the possession of the National Loan Bank, at the closing of its operations, an amount of 107.5 million zlotys was sold to the new Bank to serve for the redemption of mark notes. The increase in the Bank's reserve was due, *inter alia*, to receipts from share subscriptions referred to above, purchases from the Government, including proceeds of the sale of precious stones (some 30 million zlotys), and purchases of the greater part of the exchange from the Italian loan contracted by the Government in March 1924. (From this loan the Government has received the equivalent of 80 million zlotys, of which more than 60 millions were sold to the Bank). Of the Bank's gross reserve in foreign currency on December 31st, 1924, equivalent to 269 million zlotys, 25.1 millions were held in foreign bank notes, 5.5 millions in bills, and 238.4 millions as balances with foreign banks.

In February 1925, the Government contracted, on the American market, a loan of $35 millions, to be used in part in the productive State undertakings and, as for the rest, to be advanced to private enterprises. A supplementary issue of $15 millions for the same purposes is to be made later in the year.

Discounts, loans and advances of the Central Bank:

The composition of the loans and advances of the National Loan Bank to the Government up to the end of 1923 is shown in the *Memorandum on Central Banks*, 1913 *and* 1918–1923, page 290. On February 1st, 1924, when the issue of notes for the account of the Government was stopped, these advances reached 291.7 billion marks, equivalent to 162 million zlotys, at which amount they remained unchanged until the closing of the Loan Bank. This Government debt was not taken over by the new Bank. According to an agreement between the Ministry of Finance and the Bank of Poland, the last named was entrusted with the liquidation of the National Loan Bank. The results of the liquidation on December 31st, 1924, were the following: the receipts of the Bank of Poland arising from the taking over and realising of the assets of the National Loan Bank amounted to 336 million zlotys, the expenditures of the Bank of Poland were 494 million zlotys, including 320 million zlotys for redemption of mark notes. The receipts derived from the realisation of the assets of the National Loan Bank were credited to a special account of the Ministry of Finance included among the Government current accounts in Group XIV (*a*) of Table 18. According to the first return of the Bank of May 10th, 1924, the Government disposed of a balance on this special account of 132 million zlotys. This amount was gradually withdrawn in bank notes used by the Government for redeeming mark notes called in by the Bank of Poland, the greater part of the State debt to the Loan Bank being thus cancelled. The remaining portion of that debt amounting to 158 million zlotys was repaid mainly from the proceeds of the sales of gold and jewellery received under the Treaty of Riga and from revenues obtained through the issue of token money.

Under Article 52 (*d*) of the Statutes, the Government enjoys for the duration of the privilege of note issue a non-interest-bearing credit of 50 million zlotys. Only the amounts actually drawn are shown in the balance-sheets as advances to the Treasury. The Bank may not make other direct advances to the State Treasury, " either to cover its current administrative expenditure or for investment purposes " (Article 11 (*b*) of the Act of January 11th, 1924). A stipulation in Article 60 of the Statutes that " the Bank may discount Government, municipal and mortgage securities, payable within three months ", applies only when such securities are presented to the Bank by private holders; moreover, the Bank is not allowed to issue notes against such discounts, *i.e.* include them in the cover for the notes issued. These discounts, shown in the balance-sheets under the heading " discount of securities on term ", are given under VI (*b*) in Table 18 above.

During the last months of its operations the National Loan Bank converted practically all its discounts and advances on to a gold-franc basis, *i.e.* they were repayable in marks according to the rate of exchange for gold. The whole of the bill portfolio on a gold basis — 110.7 million gold francs on April 27th, 1924 — was taken over by the Bank of Poland, but only a small proportion of the advances (about 1 out of 36 million zlotys). Compared with the discounts — mainly rediscounts — which constitute the principal source of credit of the country, the Bank's advances have been small. Under Article 58 of the Statutes, the Bank of Poland must only discount bills resulting from real commercial operations and payable within not more than three months. It may deal directly with the public and may, subject to the consent of the Minister of Finance, grant interest on deposits, but it is forbidden to buy shares or to undertake mortgage business.

Circulation of Notes and Coins:

Prior to 1920, different currencies were circulating in the different parts of the country. In the former German provinces the circulation consisted of German marks and in Galicia of Austrian kronen;

in the former Russian domains both these currencies circulated side by side with Russian roubles of various issues and Ost-roubles. In the early months of 1920, however, a unification of the circulation was undertaken, all these currencies being replaced by the Polish mark, which was declared the sole legal tender in Poland.

On March 1st, 1923, the Polish mark was introduced also in Upper Silesia as a legal currency, the German mark being retained as a second currency and accepted at the rate of exchange of the day. The collapse of the German mark in the course of 1923, however, caused that currency to disappear from circulation, so that when the Polish mark became the sole legal currency on November 1st, 1923, the actual position was not modified.

In addition to the notes outstanding on December 31st, 1923, there were in circulation 5,268,000 million marks in cheques originally issued by the National Loan Bank (and included in Group XIII of Table 18) for the purpose of facilitating the settling of accounts between industrial and commercial undertakings, but used generally as currency. These cheques were to be withdrawn from circulation at the end of March 1924 and replaced by ordinary notes.

After the stopping of the advances to the Government on February 1st, 1924, and the stabilisation of the exchange, the note issues of the National Loan Bank were made chiefly for the purchase of gold and foreign exchange, but fresh issues were also made in connection with an extension of the commercial credits, and more especially the discounts, as will be seen from the following statement showing the development of the principal mark accounts up to the closing of that Bank at the end of April 1924:

End of	Notes in circulation	Drafts and Current Accounts	Gold Reserve	Foreign Exchange Gross Reserve	Discounts	Advances against Goods and Securities	Total of the Discounts and Advances
	(000,000,000,000's omitted)		(000,000's omitted)		(000,000,000,000's omitted)		
December 1923	125.4	84.7	55.–	62.1	20.6	20.7	41.3
January 1924	313.7	137.9	66.2	102.–	43.9	54.2	98.1
February »	528.9	135.2	66.7	191.1	67.2	83.2	150.4
March »	596.2	185.9	68.–	249.7	138.7	81.2	219.9
April »	570.7	395.7	55.7	323.–	199.2	60.6	259.8

A decree concerning the change of the monetary system was issued on April 14th, 1924, which fixed the rate between the old and the new currency at 1,800,000 marks to 1 zloty and declared both currencies legal tender up to the end of June 1924. After this date, the mark notes ceased to be legal tender but could be exchanged for zlotys at the Bank of Poland up to May 31st, 1925.

The new currency system outlined in the decree of January 20th was definitely laid down in the decree of April 23rd, 1924. The zloty is to contain 9/31 parts of a gramme of pure gold. It is divided into 100 " groszys ". Coins of the following values are minted: 100, 50, 20, and 10 zlotys in gold; 5, 2, and 1 zlotys in silver; 50, 20 and 10 grosz in nickel; and 5, 2 and 1 grosz in copper. The gold coins are legal tender for the payment of any amount, the silver coins for an amount not exceeding 100 zlotys and the small coins for an amount not exceeding 10 zlotys. The silver coins are limited to 8 zlotys per head of the population and the other coins to 4 zlotys, making a total of nearly 340 million zlotys. As a temporary measure, until a sufficient quantity of token coins had been minted, the Finance Minister was authorised to issue, through the intermediary of the Bank of Poland, notes in denominations of 2 and 1 zlotys and under up to a maximum of 150 million zlotys. The notes of 2 and 1 zlotys, which as temporary substitutes for silver coins serve as legal tender up to the value of 100 zlotys, are being exchanged for coins since January 1st, 1925. Notes of 50 groszys and under were legal tender only up to the value of 10 zlotys and were replaced by token coins before February 1st, 1925.

The Bank of Poland has the monopoly of issuing bank notes. These notes are unlimited legal tender, and the Statutes lay down as a principle that they are to be freely redeemable in gold. This provision, however, is suspended until further notice. The regulations governing the note issue and the cover for the notes in circulation are the following:

" I. At least 30 per cent of the notes in circulation are to be covered by: (*a*) gold; (*b*) net balances in stable foreign currency; and (*c*) bills in stable foreign currency.

" II. The remaining portion of the note circulation must be covered in full by: (*a*) commercial bills, warrants, coupons, etc.; (*b*) silver counted at the gold value; (*c*) Polish silver

coins and other token money, up to 5 per cent of the total note circulation; and (*d*) advances to the Treasury not exceeding an amount of 50 million zlotys granted free of interest in exchange for the privileges of note issue, etc.

"III. The note circulation is subject to a special tax of 1 per cent per annum when the gold and gold exchange cover is less than 40 per cent of the circulation, of 2/3 per cent when this cover is between 40 and 50 per cent of the circulation, and of ½ per cent (1/72 per cent per ten days) when it exceeds 50 per cent of the circulation."

The note issue was begun at the end of April. The total circulation, in terms of zlotys, since the end of December 1923, has been as follows:

End of		*Zlotys* (000,000's *omitted*)			
		State (mark) notes	Bank notes	Token notes and coins	Total circulation
December	1923	103.3	—	—	103.3
January	1924	174.3	—	—	174.3
February	"	293.8	—	—	293.8
March	"	331.2	—	—	331.2
April	"	317.1	—	—	317.1
May	"	166.3	245.–	28.7	440.–
June	"	78.8	334.4	76.5	489.7
July	"	19.–	394.3	117.5	530.8
August	"	10.1	430.3	123.1	563.5
September	"	6.–	460.4	124.7	591.1
October	"	3.3	503.7	136.–	643.–
November	"	2.1	497.6	129.3	629.–
December	"	1.8	550.9	123.1	675.8

In 1923, considerable quantities of dollar notes and other foreign currencies were in circulation, which, in the course of 1924, were replaced by zloty currency. The exact amount of these foreign currencies is not known but, according to a statement in the first report of the new Bank, they constituted the chief part of the circulation. In view of the difference in the probable circulation velocity of the depreciating and the stable currencies, this does not, of course, mean that the latter performed the greater or even an equal part of the effective currency services.

Table 19. PORTUGAL

ACCOUNTS	BANK Position in		
	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	16.4	25.8	27.0
(*a*) Gold	7.5	8.6	8.6
(*b*) Silver and Token coins	8.9	17.2	18.4
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	—	3.1	2.4
(*a*) Gold Deposits abroad	—	1.1	1.1
(*b*) Book Balances and Credits abroad	—	2.0	1.3
IV. Commercial Bills	16.2	47.7	57.0
(*a*) Inland	—	—	—
(*b*) Foreign	—	—	—
V. Securities and Investments	3.7	14.7	16.9
(*a*) Government	—	4.5	6.2
(*b*) Other	3.7	10.2	10.7
VI. Loans and Advances	76.9	241.7	341.7
(*a*) to the Government	71.4	230.4	332.8
(*b*) on Government securities	5.5	11.3	8.9
(*c*) Other			
VII. Sundries (including Premises, etc.)	3.6	3.2	10.5
VIII. Total Assets	**116.8**	**336.2**	**455.5**
LIABILITIES.			
IX. Capital	13.5	13.5	13.5
X. Reserve Funds	3.6	3.5	3.5
XI. Profit and Loss and Dividends Accounts, etc.	2.3	3.1	3.1
XII. Notes in circulation	86.6	273.8	370.6
XIII. Post Bills, Cheques, etc., in circulation	—	—	—
XIV. Current Accounts	0.1	1.6	17.6
(*a*) Government	—	0.4	0.3
(*b*) Other	0.1	1.2	17.3
XV. Other Deposits	7.4	32.0	37.2
(*a*) Government	2.7	14.6	13.7
(*b*) Other	4.7	17.4	23.5
XVI. Sundries (including Pension Funds)	3.3	8.7	10.0
XVII. Total Liabilities	**116.8**	**336.2**	**455.5**

PORTUGAL

Table 19.

PORTUGAL

udos (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
27.6	27.3	26.8	13.3	13.2	9.5	9.6	9.5
8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
19.0	18.7	18.2	4.7	4.6	0.9	1.0	0.9
—	—	—	—	—	—	—	—
24.0	5.7	53.1	59.1	32.4	48.1	41.6	88.8
1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
22.9	4.6	52.0	58.0	31.3	47.0	40.5	87.7
139.1	119.8	142.3	153.6	164.7	181.0	163.5	153.4
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
18.5	22.1	26.0	26.0	38.7	38.7	38.5	38.7
8.6	13.0	17.1	17.1	30.0	30.0	30.0	30.0
9.9	9.1	8.9	8.9	8.7	8.7	8.5	8.7
523.4	674.2	996.9	1,438.4	1,496.8	1,579.2	1,730.0	1,715.9
510.3	662.8	946.4	1,337.4	1,382.7	1,434.9	1,530.4	1,696.0
13.1	11.4	50.5	101.0	114.1	144.3	199.6	19.9
11.6	22.7	15.9	53.1	38.6	27.9	44.3	215.1
744.2	**871.8**	**1,261.0**	**1,743.5**	**1,784.4**	**1,884.4**	**2,027.5**	**2,221.4**
13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
3.7	3.9	4.2	4.1	5.1	5.1	5.1	3.4
5.6	6.5	7.3	10.2	8.5	16.1	23.0	12.3
611.0	736.9	1,054.1	1,419.9	1,491.2	1,580.7	1,662.0	1,762.6
—	—	—	—	—	—	—	—
57.2	13.7	31.3	71.3	68.6	103.2	165.3	42.0
0.2	—	0.4	0.5	0.4	0.1	—	2.6
57.0	13.7	30.9	70.8	68.2	103.1	165.3	39.4
41.5	75.9	88.3	95.9	101.1	80.0	83.9	127.4
15.4	22.1	29.4	43.5	43.7	45.0	43.5	43.8
26.1	53.8	58.9	52.4	57.4	35.0	40.4	83.6
11.7	21.4	62.3	128.6	96.4	85.8	74.7	260.2
744.2	**871.8**	**1,261.0**	**1,743.5**	**1,784.4**	**1,884.4**	**2,027.5**	**2,221.4**

PORTUGAL

Notes

Metallic reserve and foreign assets.

The gold deposits in group III (*a*) of Table 19 above, shown in the balance sheets of the Bank of Portugal as deposits with the Bank of England, would appear not to be actually disposable.

The decrease in the silver reserve in 1923 and 1924 was due to the demonetisation and sale of the coins of which it was composed. This was mainly done for the account of the Government in conformity with special Conventions of June 7th and December 22nd, 1923, based on the Laws of May 15th and November 28th of the same year. The Government bought from the Bank at par 14 million escudos of silver coins, which were afterwards demonetised and pledged with the Bank as security for special advances see statement below on the State indebtedness to the Bank). These advances were limited to the actual paper value of the silver contained in the coins as fixed at the end of 1923 on the basis of the London quotation for silver and the Lisbon exchange rate on London, *i.e.* 160.8 million escudos. By January 23rd, 1924, they had been exhausted. By Decree of February 11th, however, these advances were incorporated in the uncovered State debt to the Bank. The silver was released and placed at the free disposal of the Government. Later in the year it was exported to London to serve as collateral for a loan granted to the Portuguese Government by certain British banks.

Under a Convention of March 24th, 1924, the remaining silver reserve at a face value of 3.6 million escudos was demonetised for the account of the Bank in the middle of April and has since then not been included in the metallic reserve [1]. At the end of the year, the greater part of this silver was used for purchase of foreign (mainly United States and Swiss) Government securities which the Bank is entitled to include, together with its exchange holdings, in the metallic reserve for the note circulation. The amount of such securities included in the foreign exchange reserve in group III (*b*) of Table 19 is shown below:

Escudos (000,000's omitted)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Foreign bills and balances abroad	—	—	—	21.2	2.9	48.6	54.5	27.8	43.5	37.–	57.7
Foreign Government securities	—	2.–	1.3	1.7	1.7	3.4	3.5	3.5	3.5	3.5	30.–
Total	—	2.–	1.3	22.9	4.6	52.–	58.–	31.3	47.–	40.5	87.7

The export of capital from Portugal and dealings in foreign exchange are subject to severe regulations, a detailed Government control of all such operations of the banks and other authorised dealers being provided for in a law passed on September 6th, 1924. Since 1922 a certain percentage of the foreign exchange derived from exports has had to be placed at the disposal of the Government. This exchange is deposited with the Bank of Portugal, which, under the Convention of December 29th, 1922, grants advances to the Government on security thereof, independently of the limits fixed in other laws and conventions. The foreign bills thus deposited by the Government were entered as a separate gold account on both sides of the Bank's balance sheet up to the middle of February 1924, but have since been included in the foreign correspondents' accounts on the assets side and in the sundry accounts on the liabilities side of the balance sheet. In order to avoid double counting, these deposits have been excluded from Table 19, which accounts for certain discrepancies between the exchange reserve as shown above and in the returns of the Bank.

[1] The amounts shown under I(*b*) in Table 19 at the end of June, September and December represent nickel and copper coins.

Indebtedness of the State to the Bank of Portugal:

The State indebtedness to the Bank as shown under VI (*a*) in Table 19 was composed as follows:

Escudos (000,000's omitted)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
1. Loans to the State	17.6	220.–	300.–	498.–	620.–	860.–	1,164.3	1,164.3	1,325.–	1,325.–	1,325.–
2. Treasury bills discounted.	7.7	4.7	15.2	6.2	19.–	15.9	5.7	2.7	12.–	11.9	11.9
3. Treasury current accounts	27.2	5.7	17.6	6.1	23.8	26.3	22.9	16.2	21.7	13.3	11.9
4. Guaranteed advances to the Treasury	18.9	—	—	—	—	44.2	44.6	38.7	76.2	180.2	358.–
5. Advances against demonetised silver	—	—	—	—	—	—	100.–	160.8	—	—	—
Total . .	71.4	230.4	332.8	510.3	662.8	946.4	1,337.5	1,382.7	1,434.9	1,530.4	1,706.8

The "loans to the State" have been accorded by the Bank, since 1918, on the basis of a Law of April 29th of that year, the initial amount having been subsequently increased by later conventions approved by Parliament. As "collateral" for these loans, which, in distinction from the discounts of Treasury bills and the advances to the Treasury on current account, constitute the counter-value of the fiduciary note issue, the Government has handed over to the Bank bonds of the 3 % internal State debt. According to a Decree of March 17th, 1924, the conditions of the amortisation of the State debt to the Bank are to be regulated by a special convention "which will be carried into effect only when the State budget gives a surplus in favour of the Treasury". Five-eighths of the interest on the above loans are to be transferred to an "amortisation fund" established in 1915, which will ultimately be used for the amortisation of the Government debt to the Bank. Under the Decree of March 17th, 1924, 20 % of the Government share in the Bank's profits shall, in addition, be paid into that fund which is included in the deposits in group XV (*a*) of Table 19 and is entirely invested in Government securities constituting the whole of group V (*a*) of the Table.

The "guaranteed advances" shown as the fourth item in the statement above represent, since 1922, the advances granted to the Treasury against the foreign bills surrendered to the State by exporters as explained in the preceding section. The figure on December 31st, 1924, includes in addition 8.3 million escudos, representing other guaranteed advances. The advances against demonetised silver are explained in the preceding section.

Note circulation:

The note issue of the Bank of Portugal is regulated by the Law of April 29th, 1918, modified by a number of later conventions. According to this law and subsequent conventions, the Bank is entitled to make the following issues:

(1) A fiduciary issue corresponding to the amount of the "loans to the State" shown as the first item in the detailed statement in the preceding section;

(2) Additional issues for the account of the State against equal amounts of foreign bills deposited with the Bank by the Government in conformity with the Convention of December 29th, 1922 (fourth item in the detailed statement above);

(3) An amount equal to the aggregate face value of the silver coins held by the Bank;

(4) Other issues covered by: (*a*) the gold reserve; (*b*) the deposits with the Bank of England; (*c*) the balances with foreign correspondents; (*d*) the foreign Government securities considered as being equivalent to gold (see detailed statement on page 132 above); and (*e*) "the balances of the commercial operations" represented by assets easily realisable within a period of three months (*i.e.*, mainly the bills discounted).

According to the Law of April 29th, 1918, the total of the four items (*a*) to (*d*) in group (4) shall "as a rule" represent 30 % of the note circulation apart from the above issues under (1), (2) and (3). This percentage is allowed, however, to fall to 15 %.

(For details concerning the deposits and the discounts, loans and advances other than those granted to the Government, see *Memorandum on Central Banks*, 1913 and 1918-1923, pages 297-300).

Table 20. ROUMANIA

ACCOUNTS	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	152.8	0.2	1.5
(*a*) Gold	151.5	—	1.3
(*b*) Silver and Token coins	1.3	0.2	0.2
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	56.5	842.5	1,076.2
(*a*) Gold Deposits abroad	—	493.7	493.7
(*b*) Book Balances and Credits abroad	56.5	348.8	582.5
IV. Commercial Bills	207.7	70.5	158.8
(*a*) Inland	207.7	70.5	158.8
(*b*) Foreign	—	—	—
V. Securities and Investments	33.0	171.4	110.2
(*a*) Government	33.0	171.4	110.2
(*b*) Other	—	—	—
VI. Loans and Advances	103.5	2,114.6	3,953.6
(*a*) to the Government	12.8	1,608.9	3,826.2
(*b*) on Government securities	77.2	74.6	117.2
(*c*) Other	13.5	431.1	10.2
VII. Sundries (including Premises, etc.)	39.0	153.1	822.6
VIII. Total Assets	**592.5**	**3,352.3**	**6,122.9**
LIABILITIES.			
IX. Capital	12.0	12.0	12.0
X. Reserve Funds	42.1	65.2	77.1
XI. Profit and Loss and Dividends Accounts	—	—	—
XII. Notes in circulation	437.2	2,489.1	4,215.0
XIII. Post Bills, Cheques, etc., in circulation	—	—	—
XIV. Current Accounts	59.1	346.7	953.3
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XV. Other Deposits	—	—	—
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XVI. Sundries (including Pensions Funds, etc.)	42.1	439.3	865.5
XVII. Total Liabilities	**592.5**	**3,352.3**	**6,122.9**

ROUMANIA

Table 20.

NATIONAL BANK OF ROUMANIA.

sition in Lei (000,000's omitted) at the end of

1920	1921	1922	1923	March. 1924	June 1924	Sept. 1924	Dec. 1924
2.0	2.0	40.0	127.7	133.5	138.0	137.2	147.7
1.7	1.7	39.3	127.3	132.8	132.8	134.8	134.8
0.3	0.3	0.7	0.4	0.7	5.2	2.4	12.9
—	—	—	—	—	—	—	—
,195.2	1,010.8	1,561.8	1,704.6	1,704.6	1,704.6	1,747.2	1,757.1
493.7	493.7	493.7	428.1	428.1	428.1	428.1	428.1
701.5	517.1	1,068.1	1,276.5	1,276.5	1,276.5	1,319.1	1,329.0
702.5	1,829.6	3,808.5	5,864.1	5,935.6	6,073.8	6,596.8	7,573.0
702.5	1,829.6	3,808.5	5,864.1	5,935.6	6,073.8	6,596.8	7,573.0
—	—	—	—	—	—	—	—
126.0	55.0	54.9	46.7	41.2	38.5	38.2	55.3
126.0	55.0	54.9	46.7	41.2	38.5	38.2	55.3
—	—	—	—	—	—	—	—
,436.1	12,700.9	12,895.2	11,661.2	11,640.9	11,699.8	11,707.7	11,575.3
,225.8	12,421.9	12,406.6	11,184.0	11,198.1	11,190.4	11,179.8	10,892.8
200.7	253.4	312.5	420.4	430.5	484.1	511.0	519.2
9.6	25.6	176.1	56.8	12.3	25.3	16.9	163.3
,747.0	1,029.7	647.8	1,027.7	1,141.8	1,235.1	1,260.6	1,263.7
,208.8	**16,628.0**	**19,008.2**	**20,432.0**	**20,597.6**	**20,889.8**	**21,487.7**	**22,372.1**
12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
75.1	97.9	124.5	177.3	151.4	175.8	175.8	197.1
—	—	—	—	—	16.0	16.0	—
,485.6	13,722.2	15,162.1	17,916.8	17,832.2	17,728.6	18,871.2	19,356.4
—	—	—	—	—	—	—	—
889.1	1,892.3	2,267.4	523.8	627.9	761.1	181.2	783.2
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
,747.0	903.6	1,442.2	1,802.1	1,974.1	2,196.3	2,231.5	2,023.4
,208.8	**16,628.0**	**19,008.2**	**20,432.0**	**20,597.6**	**20,889.8**	**21,487.7**	**22,372.1**

ROUMANIA.

Notes.

Gold reserves at home and abroad:

In the early days of the war, considerable amounts of gold paid by the belligerent countries for imports of cereals, etc., from Roumania accrued to the reserve of the National Bank, the greater part of that gold being retained as a deposit in the German Reichsbank and the Bank of England (see Table IV, Vol. I). Soon after Roumania's entrance into the war in 1916, the gold reserve at home was removed to Moscow and has not been at the actual disposal of the Bank since the Bolshevik revolution. At the end of 1918, the Roumanian gold reserve at home only amounted to 6,450 lei. The increase in subsequent years has been derived from:

(*a*) purchase of the gold received by the Roumanian Government as a result of the distribution of the reserve of the Austro-Hungarian Bank;
(*b*) transfer of 65.6 million gold lei from the gold deposits in Germany released in the beginning of 1923 (see Table IV, Vol. I);
(*c*) purchase of the production of the State gold mines and of gold on the open market.

Foreign assets of the National Bank:

The foreign exchange reserve, shown under III (*b*) in Table 20 above and in Table V (Vol. I), which is legally considered as part of the metallic reserve for the note circulation, consisted in 1913 of foreign gold bills. The amount shown at the end of 1918 includes, in addition, certain credits granted by the Allied Governments, and more especially the British Government, to the Roumanian Government, which had ceded them to the National Bank as " metallic " cover for the notes issued on behalf on the State. These credits were given mainly in the form of deposits with the Bank of England of special British Treasury bonds not bearing interest for the account of the National Bank of Roumania; a minor part was given simply in the form of a credit inscription in the registers of the British Treasury. According to the various conventions between the National Bank and the Roumanian Government concluded in 1917 and 1918, the Government engaged itself to " replace these British State obligations by actual sterling deposits in London effected from the first sums which may be at its disposal abroad and not later than within ten months after the conclusion of peace, which deposits shall be at the free disposal of the National Bank." The foreign Government credits, which are counted at the rate of 25.22 lei to the pound, would appear to have constituted the major part of the Bank's foreign assets at the end of 1918.

Since 1919 the Bank has been authorised to add to its metallic reserve such amounts of Roumanian " gold Treasury bonds " as were required to maintain a fictitious ratio of 33 1/3 % " metallic " cover for the note circulation prescribed by the Statutes. In various conventions with the Bank, the Government has engaged itself to replace these Treasury bonds by the proceeds of the first foreign loan which it would be able to raise for the purpose of improving the currency, but up to the end of 1924 neither the above British obligations representing credits not actually disposable nor these Treasury bonds had been exchanged for liquid foreign assets. These items are not given separately by the Bank, but are shown in its returns together with the foreign bills and the balances abroad under a single heading: " Foreign balances, bills of exchange and gold Treasury bonds." For the purpose of the present Memorandum, however, estimates have been made of the amounts of the Roumanian Treasury bonds included in this account on the various dates given in Tables 20 and V (Vol. I), which amounts have been excluded from these tables. The Treasury bonds thus excluded have been handed over to the Bank as collateral for part of the advances to the State shown in the detailed statement below and do not themselves represent any additional indebtedness of the State.[1]

[1] The character of these Treasury bonds and the method followed in calculating their amount are explained in detail in the *Memorandum on Central Banks*, 1913 and 1918–1923, pages 305–306.

State indebtedness to the National Bank:

The sums shown under V (*a*) in Table 20 represent investments of the capital and certain reserves of the Bank in public securities, the sums given for the end of the years 1918–1920 including, in addition, certain amounts of *Bânca Generala* notes (for details see below) held by the Bank. The loans and advances to the Government were composed as follows:

Lei (000,000's omitted).

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Loan to the State free of interest (1901)	12.8	8.–	8.–	8.–	8.–	8.–	8.–	8.–	8.–	8.–	8.–
Advances to the State for budget purposes	—	1,596.1	3,792.8	4,092.7	5,281.4	5,282.9	4,073.–	4,073.–	4,051.–	4,046.4	3,761.4
Advances to the State for the unification of the currency.	—	—	—	4,098.3	7,074.4	7,026.7	7,026.–	7,026.–	7,026.–	7,026.–	7,026.–
Advances to the State for the account of the Loan Bureaux for Agriculture and Industry.	—	4.8	25.4	26.8	58.1	89.–	77.–	91.1	105.4	99.4	97.4
Total	12.8	1,608.9	3,826.2	8,225.8	12,421.9	12,406.6	11,184.–	11,198.1	11,190.4	11,179.8	10.892.8

The first item in the above statement represents the unpaid balance of a loan of 15 million lei which was granted to the Governments free of interest in 1901. Of the various advances included in the second item, there were granted free of interest: (1) 1½ milliard lei under a Convention of May 12th, 1919, partly for the withdrawal of *Bânca Generala* notes in circulation but mainly for other needs of the State; (2) about 400 million lei (forming part of the second "currency-unification advance" of January 5th, 1921) utilised for "urgent needs of the State railways and the Army"; (3) 1 milliard granted in October of the same year to cover the budget deficits. This last advance, however, bore interest of ½ % p.a. after December 31st, 1920. The various advances made in the years 1914–1918 at 1½–4 % were combined under a Convention dated February 6th, 1919, into a single advance of 1.6 milliard lei at 1 %. Most of the remaining advances granted (in the course of the years 1920 and 1921) for various budget purposes were subject to an interest of 1½% p.a. In 1923 and 1924, the Government repaid the greater part of the advances which were subject to an interest of more than ½ % p.a.

The advances constituting the third item in the above statement were granted free of interest in two instalments for the purpose of the conversion of the kronen, rouble and *Bânca Generala* notes (see section on note circulation). The decrease in these advances by nearly 50 million lei in 1922 was due to the cancellation of that amount in exchange for part of the Austro-Hungarian gold ceded by the Government to the Bank.

Since the end of 1923 all advances to the State, except those shown at the bottom of the above statement, have been free of interest. The State, however, pays a commission to the Bank to cover the expenses of printing the new notes by which those issued for the account of the Government have to be replaced from time to time.

The Conventions of June 11th, 1920, and January 5th, 1921, concerning the advances for the unification of the currency contain provisions for the regular amortisation of the State debt to the Bank, which provisions, however, have not been carried into effect; nor has the draft convention for the final consolidation of the debt which was under discussion in 1923 (*cf. Memorandum on Central Banks*, 1913 and 1918–1923, page 308). But on May 24th, 1925, a general meeting of the shareholders approved a convention dated the 19th of that month providing for:

(*a*) the creation of a regular sinking fund for the amortisation of the above debt in 15 to 20 years from January 1st, 1926;
(*b*) the parallel withdrawal of a corresponding amount of notes from circulation;
(*c*) the fixing of a maximum limit for the note circulation corresponding to the actual circulation on December 31st, 1924;
(*d*) the strengthening of the Bank's fund for purchase of gold with a view to improving the cover for the notes.

The above sinking fund is to be formed by the proceeds from certain taxes (such as the taxes on luxury goods and business turnover), the Government's share in the profits of the Bank and certain other State revenues.

By another convention of the same date, the basic regulations for the operations of the Bank have been modified in connection with the extension of the privilege of note issue to December 31st, 1960. Under the new regulations which, subject to the approval of Parliament, will come into force on January 1st, 1926, the Bank will be permitted to discount Treasury bills up to an amount corresponding to 20 % of the capital (simultaneously increased to 100 million lei) and by public securities or securities guaranteed by the State to an amount not exceeding the total of the capital and the reserves.

The advances shown at the bottom of the statement above are not considered as forming part of the State debt to the Bank and are not concerned by the above convention. They represent State credits to agriculture and industry, made through the intermediary of the local loan bureaux of the State. These advances are granted against collateral supplied by these loan bureaux. They are subject to an interest of 3 % p.a. and their aggregate amount may not excede 300 million lei, *i.e.* the amount of the credits opened to the State for this purpose.

The various advances shown above represent only that part of the State indebtedness to the Bank which has been contracted directly by virtue of laws and conventions. There is, in addition, an indirect State debt to the National Bank concealed in the commercial portfolio, for in the middle of 1921 the Minister of Finance made an arrangement under which certain creditors were enabled to discount their claims on the Treasury with the Bank through the agency of the commercial banks. There is, however, no information available concerning the exact amounts of these discounts with the National Bank. According to a statement in the annual report for 1924, the increase in the commercial portfolio during that year was due to an extension of the industrial credits with a view to obviating unemployment and for financing the sale of the petroleum royalty of the State.

Note circulation:

The increase in the note circulation in the years 1919–1921 was in part due to the conversion of kronen and rouble notes and of the lei notes issued by the *Bânca Generala* during the German occupation in the years 1917 and 1918 to an amount of 2,173 million lei. A summary of the decrees under which these conversions were effected, together with detailed statements of the amounts of kronen and rouble notes converted, are given in the *Currency Memoranda* for 1922 and 1923. The resulting increase in the State indebtedness to the National Bank is shown in the statement given in the preceding section.

According to the pre-war regulations, the notes in circulation had to be covered to the extent of at least 33.3 % by the metallic reserve. By subsequent amendments to the banking law, the Bank was authorised to include a certain amount of foreign bills and foreign credits in the metallic reserve, and has been entitled since 1919, as already mentioned, to add a sufficient amount of Treasury bonds to its metallic reserve to maintain the above proportion of " metallic " cover for the notes in circulation. Until the withdrawal of the notes issued for the account of the State has been completed and as long as the notes remain inconvertible, the metallic reserve may, according to the second Convention of May 19th, 1925, consist of bills payable abroad and Roumanian State bonds payable in foreign currency to the extent of 50 %, the remainder to consist of gold. The metallic reserve as defined above will serve as cover only for the notes issued in excess of the State debt to the Bank, which notes must not exceed four times the value of the reserve. As long as the notes remain unredeemable, the total note circulation must not exceed that of December 31st, 1924. The withdrawal of notes is to be effected in connection with the repayments on the State debt mentioned in the preceding section. The amount of notes to be withdrawn will be fixed by agreement between the Minister of Finance and the National Bank at the end of each year in proportion to the payments made into the sinking fund and " under consideration of the general needs ". It is hoped by this means to effect an average improvement in the gold value of the leu of 6½ % p.a. over the period of 15 years foreseen for the repayment of the State debt.

RUSSIA

RUSSIA

Monetary conditions before the introduction of the Chervonetz:

On January 1st, 1914, according to official estimates, the monetary circulation of Russia was composed as follows:

Banknotes in circulation	1,775	million roubles
Gold coins	493	» »
Silver coins	123	» »
Subsidiary coins:		
Silver	103	» »
Copper	18	» »
Total circulation	2,512	million roubles.

The note circulation was almost entirely covered by gold, the gold reserve of the State Bank amounting, on the above date, to 1,695 million roubles, of which 167 millions were held abroad. The estimates of coin in circulation are of course necessarily of the nature of a guess and considerable quantities were no doubt hoarded.

For purposes of comparison, it has been necessary to give in Table III (Vol. I) the figures of note circulation in Russia in a manner similar to that adopted for other countries. Up to the end of 1922, the situation is in fact more easily followed from the statistics of new issues. Further, the quarterly figures are so large that it is preferable to show the monthly changes. The following table, therefore, gives the quantity of notes put into circulation month by month, not the quantity actually circulating.

Roubles (000,000,000's omitted)

Month	1914	1915	1916	1917	1918	1919	1920	1921	1922
January	—	.1	.1	2.1	1.9	4.1	35.2	130.3	12,605.2
February	—	.1	.2	.5	1.4	3.8	32.8	189.3	18,219.0
March	—	.1	.2	.7	3.0	5.8	47.6	198.5	32,858.5
April	—	.1	.1	.6	4.2	5.9	47.1	230.5	46,634.2
May	—	.1	.2	.7	2.5	11.4	62.9	205.1	85,792.8
June	—	.3	.3	1.0	3.0	8.5	61.2	224.8	106,847.8
July	.7	.2	.2	1.0	2.6	12.1	68.9	461.0	154,296.2
August	.2	.3	.2	1.7	2.3	13.8	70.6	702.6	221,348.4
September	.1	.7	.5	1.9	2.8	22.0	93.9	1,023.7	217,566.6
October	.1	.1	.5	3.0	2.8	21.9	117.6	1,950.3	304,125.4
November	.1	.2	.6	2.6	3.0	22.4	132.8	3,365.0	366,396.6
December	.1	.4	.5	2.3	4.0	32.5	173.0	7,689.8	554,480.1
	1.3	2.7	3.6	18.1	33.5	164.2	943.6	16,370.9	2,121,170.8

The issue of Romanoff and Duma notes did not cease with the fall of the Provisional Government on October 23rd, 1917, as it was not until April 1919 that the Soviet Government made use of new dies (for 1-, 2- and 3-rouble notes), and not until June of that year that notes of the new type in the larger denominations (up to 10,000 roubles) were issued. It has been estimated that more than half of the Romanoff, over five-sixths of the Duma, and over four-fifths of the Kerenkos notes were put into circulation by the Soviet Government.

The above figures and those given in Table III (Vol. I) exclude, of course, all the additional issues made by localities such as Astrakhan, Orenburg, etc., by the Ukraine, and by the various Anti-Soviet organisations and Governments in Azerbaidjan, Georgia, the Crimea and elsewhere. The figures for 1922 are expressed in terms of pre-1922 roubles. On November 3rd, 1921, a Decree was published stating that notes would be printed during 1922 of a new type, a one-rouble note equalling a 10,000-rouble note of earlier years. Similarly, on October 24th, 1922, a further Decree was published giving the Government power, "in order to simplify accounts", to introduce from January 1st, 1923, yet another type of note, one rouble equalling one million roubles of the pre-1922 issues. Thus, in 1922 four and 1923 two zeros were deleted.

The Decree of November 3rd, 1921, was followed by further instructions during the course of 1922, first (1.IV.22), rendering the conversion of official accounts into the new unit compulsory, and, secondly (28.VI.22), withdrawing all the earlier issues and exchanging them against the new type of notes. A further change of accounts on to the 1 = 1,000,000 rouble basis was rendered compulsory after January 1st, 1923.

On account of the rapid depreciation of the paper rouble, the Soviet Government had adopted early in 1921 an accounting system on a gold basis for budgetary and other purposes. By a Decree dated December 23rd, 1921, the Minister of Finance was instructed to publish the rate of the pre-war gold rouble each month, and by a further Decree dated January 18th, 1922, all the various Ministries were obliged to draw up all the receipts both of the State and the local Governments in terms of gold roubles. The published official rates, however, were very considerably below the exchange quotation in Moscow and still further below the Moscow retail price index.

On March 30th, 1922, a new Decree was published abolishing the pre-war gold rouble for budgetary purposes. This unit of account had, however, become gradually adopted for a large number of transactions other than those connected with the public finances, and on April 28th, 1922, it was decided, in order to render the liquidation of these operations possible, that the rates published by the new *State Bank* (set up at the end of 1921) should be adopted for this purpose. Later, in August, a special Quotation Commission was established. The bank quotations were abolished and the quotations of this Commission adopted for regulating all transactions calculated in gold roubles after correction by the coefficient 0.5. As the Commission raised the rate on the dollar from 2.4 million roubles, at which it had stood practically unchanged since June 8th until September 8th, to 7 million roubles on September 12th, some such correction factor was obviously necessary.

The free circulation of gold had been suspended on January 12th, 1918. But a Decree of April 4th, 1922, made it possible, subject to authorisation by the Ministers of Finance and Foreign Trade, to export gold and foreign currency abroad, the object of this measure being the mobilisation of private hoards in order to facilitate imports. The transfer of money from abroad became possible on the same terms, but only through the agency of the State Bank. The same decree authorised the opening with the State Bank of current accounts in gold or in foreign currencies, deposits being repayable in the same currency.

On the other hand, the Bank, as a rule, granted advances to the various exporting organisations only on condition that they were to be repaid in foreign currency. It was thus enabled to build up a considerable foreign currency reserve which, in addition to the precious metals bought from the hoardings of the population and the new gold produced by the State mines, was to serve as a guarantee for the new "chervonetz" currency introduced at the end of that year. On November 18th, 1922, the monopoly of purchase and sale of gold and foreign currency had been accorded to the State Bank, which was authorised to fix itself the rates of exchange.

A detailed review of the establishment of the new State Bank, its organisation and its operations before it was made a bank of issue, will be found on pages 310-315 of the *Memorandum on Central Banks*, 1913 and 1918-1923.

The Chervonetz:

The law legalising the issue of banknotes was adopted on October 11th, 1922, and towards the end of November the first issue of such notes took place. The object of this reform as officially defined was:

(1) "to increase the working funds of the State Bank intended for commercial operations without causing any inflation of paper currency, and (2) to regulate the monetary circulation of the country".

The unit of the new currency is the "chervonetz" (the name of the pre-war 10-rouble piece), equalling 10 gold roubles, or roughly £1. The banknotes are issued in varying denominations of from 1 up to 50 chervontzy. Under Article III of the law, at least a quarter of the notes issued must be covered by gold or other precious metals, or banknotes and bills payable in stable foreign currencies. The remainder is to be fully covered by easily realisable goods, short-term bills and other commercial assets. According to Article VIII, however, loans in banknotes granted to the Commissariat for Finance are to be covered by precious metals to the extent of at least 50 per cent of their face value and the remainder by the interest-bearing bonds of this Commissariat; but no such loans would appear to have been issued up to the middle of 1925, the Treasury having maintained the right of issuing notes of its own.

The issue operations are handled by a separate Issue Department under the control of a Board of Issue, composed of two representatives of the Bank (the Bank president and the director of the Issue Department) and three other members delegated by the Stock Exchange, the State Control Department and the Commissariat for Finance. Twice a month this department publishes a separate balance-sheet showing the amount of notes issued and the nature of the cover. According to the Bank Act, this cover must be kept in the treasury of the Issue Department. The gold and foreign currency held abroad for the account of the State Bank cannot therefore serve as cover for the note issue. A summary of the position of the Issue Department on the first day of each quarter since it started the note issue is given below. It will be noticed from a comparison with Table 21, on pages 146-7, that the Bank disposed of considerable amounts of gold assets in addition to those actually serving as cover for the notes outstanding on the various dates below. The amount of notes held in the banking departments of the Bank is not shown separately in the statements of the Issue Department, but would appear to correspond closely to the "cash" (in chervontzy) shown in the complete bank balance-sheets, even though this item may include, since March 1923, a certain portion of other notes and token coins specified in the table on page 144.

Issue Department of the State Bank.

Position in chervontzy (000's omitted).

Accounts	I/I 1923	I/IV 1923	I/VII 1923	I/X 1923	I/I 1924	I/IV 1924	I/VII 1924	I/X 1924	I/I 1925	I/IV 1925
Assets:										
Gold in coin and bars	507	2,711	4,959	8,486	8,753	8,784	9,269	13,140	14,195	16,888
Silver in coin and bars	—	—	63	73	110	111	111	—	—	—
Platinum in bars	—	—	—	—	—	722	743	743	1,298	1,698
Foreign banknotes	586	79	291	3,408	5,485	7,744	10,007	10,017	9,867	6,828
Drafts in foreign currency	410	304	438	523	446	444	342	353	376	407
Total of precious metals and foreign exchange	1,503	3,094	5,751	12,490	14,794	17,805	20,472	24,253	25,736	25,821
Bills in chervontzy	—	830	2,310	6,996	6,720	9,536	13,783	21,540	29,143	32,842
Advances on security of goods	—	1,140	2,700	4,269	6,572	7,359	5,995	8,507	4,871	1,087
Total Assets	*1,503*	*5,064*	*10,761*	*23,755*	*28,086*	*34,700*	*40,250*	*54,300*	*59,750*	*59,750*
Liabilities:										
Notes in circulation	518	2,569	7,215	21,448	24,611	30,290	34,594	45,961	52,797	51,714
Notes held by the banking departments	600	1,931	2,385	2,052	3,389	3,510	4,156	6,224	6,800	7,315
Total of notes issued	1,118	4,500	9,600	23,500	28,000	33,800	38,750	52,185	59,597	59,029
Balance to which notes may still be issued	385	564	1,161	255	86	900	1,500	2,115	153	721
Total Liabilities	*1,503*	*5,064*	*10,761*	*23,755*	*28,086*	*34,700*	*40,250*	*54,300*	*59,750*	*59,750*

The net circulation as given above and in Table 21 below has been calculated by deducting the "cash" from the notes issued. The figures for the banknote circulation given in the special circulation statements of the Ministry of Finance, from which the detailed table on page 144 has been compiled, exclude the

banknotes retained by the Treasury in exchange for its own notes, in addition to those held as cash by the banking departments of the Bank. This explains the discrepancies which exist between these two series of figures.

The date from which the banknotes may be exchanged for gold is to be fixed by a special decree. The State Bank was authorised from the beginning to demand repayment of loans and advances in banknotes, and in the course of 1923 the chervonetz became legal tender. On February 3rd, 1924, the Finance Commissariat announced that the State Bank notes would be accepted at their face value in payment of customs duties fixed in gold, and in payment of all State and local taxes fixed in Soviet roubles at the rates of the Quotation Commission mentioned above [1]. By the early summer of 1924 the chervonetz had been adopted as the sole unit of account by all credit and insurance institutions and by the majority of the commercial and industrial enterprises. All State institutions and undertakings were required to do the same from October 1st, 1924, when the State Bank finally liquidated its remaining rouble accounts and based its operations exclusively on the chervonetz.

Other issues in terms of gold roubles:

In addition to the chervonetz notes, "gold Treasury bonds", issued since March 1st, 1923 (Decree of February 7th), in denominations of 1,000, 2,500 and 5,000 gold roubles, were used as currency, more especially by the State institutions and the industrial and commercial State enterprises in their internal settlements. These bonds were originally payable in three months without interest in paper roubles, type 1923, at the gold rate fixed by the Quotation Commission. When presented for payment after the expiration of that period, interest was paid at the rate of 6 per cent per annum. The provisions concerning these issues were amended by a Decree of March 15th, 1924, authorising the Treasury to issue such bonds in denominations of 100, 250, 500 and 1,000 gold roubles bearing interest from the day of issue at the rate of 6 per cent per annum and payable "in currency" after three months.

By Decrees of July 26th and November 23rd, 1923, the Commissariat for Communications was authorised to issue so-called "transport certificates", not bearing interest, in small denominations up to 25 gold roubles, to be tendered for all payments within the communication system, the banknotes being of too large denominations for this purpose. These certificates, the issues of which were limited to certain fixed amounts, circulated in point of fact as ordinary currency and were used as divisionary money in relation to the banknotes. In connection with the monetary reform of 1924 they were withdrawn and replaced by new State gold notes (see table below).

The general adoption of these various forms of stable value currencies precipitated the fall in the value of the paper rouble, the issue of which was continued for the main purpose of covering the budget deficit. These new issues are shown in the following statement in continuation of the statement on page 140 A column has been added showing the value in chervonetz roubles, at monthly average rates, of the monthly issues of paper roubles.

	Monthly issues of paper roubles of type 1923		Cost of the chervonetz in paper roubles type 1923 (monthly averages)
	Nominal value	Value in chervonetz roubles	
	(000,000's omitted)		
1923: January	635	33.4	19.0
February	607	26.4	23.0
March	1,246	48.5	25.7
April	1,594	42.1	37.9
May	975	19.4	50.3
June	1,981	30.2	65.7
July	3,424	37.5	91.2
August	4,228	28.6	147.7
September	6,017	19.9	303.0
October	30,891	56.1	551.1
November	45,247	46.2	980.4
December	79,671	39.6	2,012.5
1924: January	154,508	29.0	5,320.0
February	533,485	33.6	15,864.4

[1] The full text of the basic decree authorising the issue of banknotes is given in the *Memorandum on Currency, 1913-1922.*

The last column in the above statement illustrates the depreciation of the paper rouble; in February 1924 it was finally abandoned. In spite of the ever-increased nominal issues, which, measured in their gold value at the time of issue, were especially great in October and November on account of the crop movements, the gold value of the total paper rouble circulation underwent an almost uninterrupted reduction after March 1923, as is shown in the following statement giving the amount and composition of total monetary circulation in Russia since the end of December 1922, converted into chervonetz roubles (or gold roubles) at the official rates.

(000,000's omitted).

Dates 1st of each month	Pap. Rouble Notes		Bank Notes		Gold Treas. Bonds		Transport Certificates		State "Gold Notes"		Token Notes [1]		Silver Coins		Total Circulation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1923:																
January .	114	97	3.5	3	—	—	—	—	—	—	—	—	—	—	117.5	100
February	124	93.7	8.5	6.3	—	—	—	—	—	—	—	—	—	—	132.5	100
March. .	134.9	89.4	16.0	10.6	—	—	—	—	—	—	—	—	—	—	150.9	100
April . .	148.4	83.8	25.7	14.5	3.0	1.7	—	—	—	—	—	—	—	—	177.1	100
May . .	133.0	74.5	37.5	21	8.0	4.5	—	—	—	—	—	—	—	—	178.5	100
June . .	121.6	67.5	47.5	25.9	12.0	6.6	—	—	—	—	—	—	—	—	181.1	100
July . .	118.8	56.3	70.–	33.2	22.3	10.5	—	—	—	—	—	—	—	—	211.1	100
August .	108.3	44.9	111.2	44.9	25.2	10.2	—	—	—	—	—	—	—	—	244.7	100
Sept. . .	81.4	29.9	164.1	58.9	31.3	11.2	—	—	—	—	—	—	—	—	276.8	100
October .	55.4	19.1	207.4	69.8	32.9	11.1	0.2	—	—	—	—	—	—	—	295.9	100
Nov. . .	76.5	21.7	224.8	63.8	46.6	13.3	4.2	1.2	—	—	—	—	—	—	352.1	100
Dec. . .	72.1	20.1	226.1	63.1	55.1	15.4	5.–	1.4	—	—	—	—	—	—	358.3	100
1924:																
January .	59.5	16.2	237.1	64.7	60.4	16.5	9.6	2.6	—	—	—	—	—	—	366.6	100
February	39.1	10.2	259.7	67.8	71.8	18.8	12.4	3.2	—	—	—	—	—	—	383.0	100
March. .	29.4	6.7	287.0	65.3	80.0	18.2	19.2	4.4	19.6	4.5	0.2	0.1	3.8	0.8	439.2	100
April . .	15.4	3.4	294.5	65.6	50.9	11.3	20.7	4.6	54.6	12.2	3.1	0.7	10.0	2.2	449.2	100
May . .	14.9	3.0	302.8	61.1	48.9	9.8	21.1	4.3	85.2	17.2	10.3	2.7	12.3	2.5	495.5	100
June . .	9.8	1.9	286.9	55.4	45.2	8.7	20.5	4.0	123.6	23.8	15 7	3.0	16.6	3.2	518.3	100
July . .	5,0	0.9	298.6	56.4	39.4	7.5	3.1	0.6	143.6	27.1	18.4	3.5	21.0	4.0	529.1	100
August .	4.8	0.8	301.3	53.5	40.4	7.2	—	—	162.2	28.8	20.1	3.6	34.7	6.1	563.5	100
Sept. . .	4.8	0.8	331.3	52.6	48.0	7.6	—	—	181.0	28.7	22.7	3.6	42.3	6.7	630.1	100
October .	—	—	346.5	51.6	48.7	7.2	—	—	202.0	30.1	25.7	3.8	48.9	7.3	671.8	100
Nov. . .	—	—	373.2	51.3	49.7	6.8	—	—	218.0	30.0	27.2	3.7	59.6	8.2	727.7	100
Dec. . .	—	—	402.0	51.8	52.2	6.7	—	—	226.0	29.1	28.3	3.7	67.5	8.7	776.0	100
1925:																
January .	—	—	410.8	51.6	53.1	6.7	—	—	229.2	28.8	29.1	3.7	73.6	9.2	795.8	100
February	—	—	365.1	47.6	56.0	7.3	—	—	233.6	30.5	28.3	3.7	83.5	10.9	766.5	100
March. .	—	—	376.9	47.9	57.6	7.3	—	—	235.9	30.0	25.6	3.2	91.6	11.6	787.6	100
April . .	—	—	402.4	48.9	57.3	7.0	—	—	244.5	29.7	23.0	2.8	95.8	11.6	823.0	100
May . .	—	—	408.6	48.3	66.0	7.8	—	—	250.0	29.6	20.3	2.4	101.1	11.9	846.0	100
June . .	—	—	417.8	48.4	71.5	8.3	—	—	250.2	29.0	18.0	2.1	105.5	12.2	863.0	100
July . .	—	—	461.0	50.2	70.7	7.7	—	—	257.7	28.1	16.6	1.8	111.7	12.2	917.7	100

Currency reform of 1924*:*

On account of the catastrophic acceleration in their depreciation, the issue of Soviet rouble notes was stopped on February 15th. By a Decree of February 5th, the Commissariat for Finance had already been authorised to issue a new type of State notes in denominations of 1, 3 and 5 gold roubles. These notes have no specific backing, but the issue of these and other forms of State currency must not exceed 50% of the value of the banknotes in circulation less the indebtedness of the Commissariat for Finance to the State Bank. There is no provision for their redemption; but they are exchanged on demand for chervontzy by the State Bank at the fixed rate of 10 "gold roubles" to 1 chervonetz. In turn, the State Treasury exchanges chervontzy for the new State notes.

By a Decree of February 22nd, the Finance Commissariat was authorised to issue silver token coins in denominations of 1, 0.50, 0.20, 0.15 and 0.1 rouble, and copper token coins of 1, 2, 3, and 5 kopeks,

[1] Including from August 1st, 1924, a small fraction of copper coins shown separately only in recent months. On July 1st, 1925, the copper coins thus included amounted to 5.04 million roubles.

the amounts of these issues being included within the above maximum limit set for the issue of State notes. Pending the minting of a "sufficient amount" of silver and copper coins, the issue of token notes in denominations of 1, 2, 3, 5 and 50 kopeks within the same limit was likewise authorised. Under the above decree the Finance Commissariat was required to put at least 100 million roubles of token coins into circulation before the end of 1924.

The provisions for the withdrawal and redemption of the paper roubles are laid down in a Decree of March 7th, 1924, under which these notes were to be redeemed from the 10th of the same month in stable currency at the rate of 50,000 roubles (type 1923) to one gold rouble, this redemption to be completed by April 30th, 1924. This period was later somewhat extended. The paper rouble ceased to be legal tender on May 10th, but was accepted in exchange for other currency at the State Bank and the offices of the Finance Commissariat for somewhat longer.

Until October 1923, the chervonetz was not quoted in any foreign country. Since 1922, as already mentioned, the credit transactions with foreign countries were monopolised by, or could be effected only through, the agency of the State Bank, which system was greatly facilitated by the existence of a foreign trade monopoly. Up to December 1923 the Russian quotations of foreign currencies were made exclusively in paper roubles. There is therefore no direct measure of the value of the chervonetz in foreign currencies for the greater part of 1923. Judging from the relation between (*a*) the rate of the chervonetz in paper roubles and (*b*) the foreign currency quotations in the same unit, however, the chervonetz would appear to have stood about 5-10% below the dollar throughout that year and to have risen to parity by March 1924. The following statement giving monthly averages of the New York rate on Russia shows that since then the chervonetz has been quoted at a premium.

	Cost in dollars of 1 chervonetz (Par = $ 5.1457)	Cost of dollar in % of its cost at par
1923: October	5.00	102.91
November	4.76	108.10
December	4.58	112.47
1924: January	4.58	112.47
February	4.63	111.14
March	5.01	102.71
April	5.22	98.59
May	5.17	99.48
June	5.16	99.69
July	5.16	99.72
August	5.16	99.72
September	5.16	99.72
October	5.16	99.72
November	5.16	99.72
December	5.16	99.72
1925: January	5.16	99.72
February	5.16	99.72
March	5.16	99.72
April	5.15	99.88
May	5.16	99.72
June	5.15	99.86

By the end of 1923 the chervonetz had been adopted as the standard of value in those parts of the Union of Soviet Republics which up to then had maintained a certain currency autonomy [1].

The State Bank in 1923 *and* 1924:

As soon as the State Bank was allowed to issue its own notes, it established separate accounts for its operations in paper roubles and in chervontzy. As shown in Table 21 below, there was a stagnation in the former operations during the first quarter of 1923 and during the two subsequent quarters a rapid decrease on account of the precipitated fall in the value of the paper rouble. As it was not considered worth while to continue these operations, the rouble accounts were finally liquidated or converted into chervontzy in September 1923. At the same time, the capital of the State Bank was increased to 5 million chervontzy

[1] For further details see *Memorandum on Currency*, 1913-1923.

(50 million gold roubles), partly by transferring to the capital account the profits for the preceding year and the balance of the "exchange difference", and the commissions and interests accounts. The "working capital", advanced by the head office to the branches and shown as a separate item only on the liabilities side of the Bank's balance-sheets, has been accounted for in calculating the "balance of the inter-branch accounts" as given in the table.

Table 21. RUSSIA

RUSSI

POSITION OF ROUBLE ACCOU

ACCOUNTS	1/I/1923		1/IV/1923	
	Roub. of 1923 (000,000's omitted)	Chervontzy (000's omitted)	Roub. of 1923 (000,000's omitted)	Chervontzy (000's omitted)
ASSETS				
Cash (*i.e.* State notes held by the Bank)	122		339	
Precious Metals and Foreign Exchange	16	2,956	2	6,456
(*a*) serving as cover for Note issue	—	1,503	—	3,094
(*b*) other	16	1,453	2	3,362
Bills discounted	40	202	2	2,704
(*a*) serving as cover for Note issue	—	—	—	830
(*b*) other	40	202	2	1,874
Advances on Goods and Goods Documents	254	1,841	181	6,207
(*a*) serving as cover for Note issue	—	—	—	1,140
(*b*) other	254	1,841	181	5,067
Goods and Securities	42	195	6	883
Long-term Loans to Industry	244	77	564	519
Agricultural Loans	35	—	104	32
Balance of "Inter-branch" Accounts	22	176	43	—
Various Expenditure Accounts and Difference of Exchange	28	8	90	17
Other Accounts	424	65	1,016	911
Total Assets	**1,227**	**5,520**	**2,347**	**17,729**
LIABILITIES				
Capital	131	—	131	—
Funds supplied by the Finance Commissariat for Long-term Loans to Industry	249	110	571	1,707
Balance of Profits and Loss	—	—	345	22
Notes in circulation	—	518	—	2,569
Drafts, Cheques and Transfers	12	167	11	965
Deposit and Current Accounts	404	1,025	1,094	4,883
Balance of "Inter-branch" Accounts	—	—	—	287
Interest and Commissions	349	22	81	359
Other Accounts	82	3,678	114	6,937
Total Liabilities	**1,227**	**5,520**	**2,347**	**17,729**

During its first year of activity, the State Bank was purely a commercial bank. During the second year, the branches, of which the more important were given a certain degree of independence, acted as provincial commercial banks. In addition, private banks and mutual credit institutions were established during that year in increasing numbers. The head office of the State Bank continued to finance the big State trusts and, in the exercise of the monopolistic rights granted to it by the Government, devoted

RUSSIA

Table 21.

BANK.

ERVONETZ ACCOUNTS

I/VII/1923		I/X/1923	I/I/1924	I/IV/1924	I/VII/1924	I/X/1924	I/I/1925	I/IV/1925
ol. of 1923 00,000's nitted)	Chervontzy (000's omitted)	Chervontzy (000's omitted)						
449								
I	8,834	15,853	21,275	30,113	30,345	30,884	35,174	33,517
—	5,752	12,490	14,795	17,805	20,472	24,253	25,737	25,414
I	3,082	3,363	6,480	12,308	9,873	6,631	9,437	8,103
—	7,615	12,436	14,055	17,705	22,403	27,984	36,269	40,620
—	2,310	6,995	6,720	9,536	13,783	21,540	29,143	32,842
—	5,305	5,441	7,335	8,169	8,620	6,444	7,126	7,778
109	12,239	17,657	19,147	22,309	27,889	25,110	28,680	38,963
—	2,700	4,269	6,572	7,359	5,995	8,507	4,871	1,087
109	9,539	13,388	12,575	14,950	21,894	16,603	23,809	37,876
I	2,236	2,550	4,395	4,343	6,862	5,083	4,943	5,845
51	6,511	10,792	11,307	12,261	12,640	15,966	14,701	43,134
I	999	1,420	1,542	2,272	2,550	2,697	2,749	
269	179	442	—	—	1,279	181	—	—
347	100	63	849	1,653	—	—	822	2,998
,731	1,072	3,225	9,994	13,047	15,103	10,764	20,085	4,941
,959	**9,785**	**64,438**	**82,564**	**103,703**	**119,071**	**118,669**	**143,423**	**170,018**
131	—	5,000	5,000	5,000	5,000	10,790	10,790	10,790
68	8,433	10,900	11,468	12,418	14,262	16,012	14,576	22,151
380	36	1,568	1,068	1,068	1,068	2,861	2,561	1,561
—	7,215	21,448	24,611	30,290	34,594	45,961	52,797	51,714
19	674	1,062	1,066	1,476	4,144	1,197	1,671	539
,730	10,344	17,889	28,085	36,290	35,623	36,120	49,668	54,045
—	—	—	1,423	591	—	—	3,175	3,438
186	1,877	84	1,984	5,025	6,824	248	2,645	5,807
445	11,206	6,487	7,859	11,545	17,556	5,480	5,540	19,973
,959	**39,785**	**64,438**	**82,564**	**103,703**	**119,071**	**118,669**	**143,423**	**170,018**

itself especially to note issue, exchange, transfer and clearing operations and assumed more and more the character of central bank in relation to the provincial branches and the other credit nstitutions to which it surrendered the financing of co-operative organisations and private trade, industry and agriculture.

The favourable effects of the currency reform upon the loan operations of the State Bank, as shown in the table, are conspicuous. Whereas the long-term loans to industry and agriculture, in respect of which the Bank acts as agent of the Finance Commissariat and not as a credit institution, dominated its balance-sheets in the autumn of 1922, they played only a secondary rôle in the Bank's accounts in 1923 and 1924, during which period the proper credit operations developed considerably.

From the point of view of the credits, the State industries are divided into two main categories; the "heavy" industries, such as engineering and mining, and the "light" industries, such as textile, food, timber, chemical and leather industries. Only the latter category is financed with floating capital from the Bank's own resources. These enterprises, which are generally commercial as well as industrial in character and are organised and centralised in big "trusts", are mainly financed by the head office. In the provinces, however, the co-operative associations are often the most important clients of the branches. These associations are mainly occupied in trade and, more especially, foreign trade. In the provinces, therefore, the commercial credit is predominant, and the principal credit instrument employed in the loan operation of the branches is the bill of exchange.

The long-term loans to the State industries are supplied from special funds placed at the Bank's disposal for that purpose by the Commissariat for Finance (*cf.* liabilities, item 2 in the table). These loans are granted to the "heavy" industries with a view to "re-creating industrial capital". It is obvious that such investments do not fall within the sphere of activity of a note-issuing bank. With respect to these loans, therefore, the State Bank has only acted as intermediary between the Finance Commissariat and the trusts. The great increase in these loans in the first quarter of 1925, as shown in the table, is mainly due to the inclusion of 21 million chervontzy of "special production loans" shown separately after a re-arrangement of the monthly balance-sheets in the beginning of this year. These loans would appear to be granted from the banking funds proper, derived from the note issue and the deposits on ordinary banking terms mainly of the Treasury and other State departments as well as of the State trusts and other nationalised undertakings. The conditions and the debtors of these loans — *i.e.* how far they are granted mainly on long term to "heavy" industries or on shorter term to "light" industries — are not evidenced in the returns.

A portion of the sums shown as discounts constitutes, in point of fact, advances on security of bills. The advances shown as the third main group under the assets in the table include on April 1st, 1925, 22 million chervontzy advanced for "transactions in cereals".

On October 1st, 1924, the capital of the State Bank was raised to 10 million chervontzy. The 5 million of new capital were supplied partly by the Finance Commissariat, which paid 3½ million chervontzy from the Treasury's own resources, held on deposit with the Bank. This amount formed part of the gold stock accumulated by the Treasury in the course of the last five years. The remaining 1½ million chervontzy were taken from the amounts set aside by the Bank during the previous financial year as "Provision for doubtful debts or special purposes" [1].

Gold reserves:

The gold reserve of the old Russian State Bank at the end of 1913 has been indicated above at about 1,695 million roubles, whereof about 167 millions were held abroad. There were in addition about 500 million roubles of gold in circulation. Of this reserve a considerable portion was exported by the Czar Government during the war. Another considerable portion was used up during the Civil War in connection with the Bolshevik revolution, and of the remainder the main part was sold in subsequent years by the Soviet Government. The reserve shown in Table IV (Vol. I) represents the gold held in the Issue Department of the State Bank as reserve for the banknotes, the only gold reserve shown separately in official statistics. In addition to the reserve of the State Bank, there exists a metallic reserve belonging to the Government which is managed by the Commissariat of Finance and which is replenished by bullion purchases, the profits made on the minting of silver coins being used for that purpose. It is officially estimated that about 200 million roubles of gold coins are still in the possession of private individuals in Russia.

[1] For further details on the operations of the State Bank since the introduction of the chervonetz, see *Memorandum on Central Banks* 1913 and 1918-1923, pages 315-325.

KINGDOM OF THE SERBS, CROATS AND SLOVENES

Table 22. **KINGDOM OF TH**

ACCOUNTS	NATIONA Position in Dinar		
	June 1914	Dec. 1918	1919
ASSETS.			
I. Metallic Reserve at home	78.2	79.3	78.9
(*a*) Gold	70.0	63.8	63.4
(*b*) Silver and Token coins	8.2	15.5	15.5
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	4.4	218.0	355.6
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	4.4	218.0	355.6
IV. Commercial Bills	9.3	11.2	11.6
(*a*) Inland	9.3	11.2	11.6
(*b*) Foreign	—	—	—
V. Securities and Investments	1.9	2.2	1.8
(*a*) Government	—	—	—
(*b*) Other	1.9	2.2	1.8
VI. Loans and Advances	85.9	305.4	635.0
(*a*) to the Government	57.9	276.0	602.0
(*b*) on Government securities	2.1	3.6	4.4
(*c*) Other	25.9	25.8	28.6
VII. Sundries (including Premises, etc.)	1.6	3.9	4.5
VIII. Total Assets	**181.3**	**620.0**	**1,087.4**
LIABILITIES.			
IX. Capital	10.0	10.0	10.0
X. Reserve Funds	2.5	2.8	2.5
XI. Profit and Loss and Dividends Accounts	0.8	4.6	5.8
XII. Notes in circulation	91.2	340.5	664.0
XIII. Post Bills, Cheques, etc., in circulation	—	—	—
XIV. Current Accounts	3.0	6.4	15.4
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XV. Other Deposits	73.2	253.0	389.1
(*a*) Government	73.2	252.6	387.8
(*b*) Other	—	2.4	1.3
XVI. Sundries (including Pension Funds)	0.6	0.7	0.6
XVII. Total Liabilities	**181.3**	**620.0**	**1,087.4**

BS, CROATS AND SLOVENES

Table 22.

K

000's omitted) at the end of

920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
79.7	90.9	80.6	86.1	89.7	89.8	89.8	89.8
64.2	74.2	64.0	68.8	72.3	72.3	72.3	72.3
15.5	16.7	16.6	17.3	17.4	17.5	17.5	17.5
14.8	6.9	2.9	1.5	—	—	—	0.7
351.7	310.4	268.8	351.2	349.8	346.5	391.1	384.6
—	—	—	—	—	—	—	—
351.7	310.4	268.8	351.2	349.8	346.5	391.1	384.6
232.0	557.7	1,421.2	1,333.7	1,228.6	1,143.4	1,326.5	1,289.3
232.0	557.7	1,421.2	1,333.7	1,228.6	1,143.4	1,326.5	1,289.3
—	—	—	—	—	—	—	—
195.9	1,270.6	1,241.2	1,207.5	1,208.2	1,208.2	1,208.2	1,195.6
194.5	1,267.1	1,238.2	1,199.8	1,208.2	1,208.2	1,208.2	1,186.4
1.4	3.5	3.0	7.7	—	—	—	9.2
123.7	3,191.3	3,378.9	3,514.6	3,542.7	3,544.4	3,561.9	3,540.0
088.8	3,151.1	3,279.3	3,324.6	3,355.4	3,356.3	3,356.3	3,334.3
24.2	40.2	99.6	190.0	187.3	188.1	205.6	205.7
10.7	—	—	—	—	—	—	—
3.6	8.3	19.0	251.2	78.9	36.9	474.1	654.8
001.4	**5,436.1**	**6,412.6**	**6,745.8**	**6,497.9**	**6,369.2**	**7,051.6**	**7,154.8**
10.3	13.1	18.2	22.2	22.9	25.4	25.4	25.5
3.9	19.4	45.2	70.8	5.4	5.7	5.9	94.1
4.1	8.3	25.7	32.5	—	—	—	27.3
344.1	4,688.4	5,039.9	5,790.2	5,585.8	5,434.0	5,968.1	6,001.5
—	—	—	—	—	—	—	—
115.2	235.4	252.7	198.9	244.1	343.6	229.2	307.0
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
523.2	470.2	1,027.2	623.5	587.1	497.5	760.0	690.6
415.7	343.2	816.2	455.4	474.0	393.5	390.0	368.0
107.5	127.0	211.0	168.1	113.1	104.0	370.0	322.6
0.6	1.3	3.7	7.7	52.6	63.0	63.0	8.8
001.4	**5,436.1**	**6,412.6**	**6,745.8**	**6,497.9**	**6,369.2**	**7,051.6**	**7,154.8**

KINGDOM OF THE SERBS, CROATS AND SLOVENES

Notes.

In January 1920 the former Serbian National Bank was transformed into the National Bank of the Kingdom of the Serbs, Croats and Slovenes, which, after having taken over all assets and liabilities of the old bank and, in addition, all the branches of the Austro-Hungarian Bank situated in the territory of the Kingdom, began its operations on February 1st of that year.[1]

Metallic and foreign exchange reserves:

The major part of the gold reserve held by the National Bank as cover for its note circulation has been deposited with the Bank by the Government, as collateral for an equal amount in notes advanced to it, the gold being still considered as belonging to the Government. This applies also to the foreign exchange holdings of the Bank which, being legally considered as equivalent to gold and silver in serving as cover for the note circulation, are accounted at the pre-war parities of the various currencies and included under the metallic reserve in the balance-sheets of the Bank. These Government deposits, forming part of the metallic and foreign " devisen " exchange reserve of the National Bank, are shown on the liabilities side of the Bank's balance-sheet under the heading " Exchange accounts " and are included under XV (*a*) in Table 22. They were composed as follows at the end of the years 1920–1924:

Dinara (000,000's omitted).

End of	1920	1921	1922	1923	1924
"*Permanent exchange account of the State*":					
Gold	?	45.2	47.7	47.7	49.7
Silver	?	1.2	2.–	1.8	1.9
Claims of the State on the French Government and various banks transferred to the National Bank[1]	?	253.6	249.3	227.6	205.6
Total	300.–	300.–	300.–	277.1	257.2
"*Provisional exchange account of the State*":					
" Gold notes " of the National Bank	?	12.2	11.1	10.8	10.7
Russian rouble notes	?	(0.03)	(0.03)	(0.03)	(0.03)
Claims (of the State) on the French Government, transferred to the National Bank	?	22.–	1.–	75.–	100.–
Total	79.–	34.2	12.1	85.8	110.7
Total of the exchange accounts	370.–	334.2	312.1	362.9	367.9

The claims on the French Government accounted at the legal parity (1 French franc = 1 dinar) and representing 275.6 million dinara at the end of 1921 and 305.6 million dinara at the end of 1924 arose from the transfer to the Bank of certain credits opened during the war to serve as cover for notes advanced by the Bank to the Government. These claims, which constitute the greater part of the foreign exchange holdings shown under III (*b*) in Table 22, would appear not to represent actually disposable credits. From the point of view of the Bank, they are a claim on the Serb-Croat-Slovene Government,

[1] For details as to the administration of the Bank, see *Memorandum on Central Banks*, 1913 and 1918–1923, page 328.

a corresponding amount being shown in the balance-sheets as indebtedness of the State to the Bank and included under the advances to the Government in group VI (*a*) of Table 22 (see detailed statement below). These non-disposable credits are not included in the foreign exchange reserve as given in Table V (Vol. I). The balances, including a certain portion of foreign bills, and the foreign bank notes given in that table represent foreign currencies likewise accounted at the pre-war parities to the gold dinar. Below they are recalculated in paper dinara on the basis of the dollar exchange rate:

End of		Legal par value	Paper value
		Dinara (000,000's omitted).	
	1920	32.7	213.6
	1921	34.8	441.2
	1922	18.5	288.8
March . .	1923	31.3	579.8
June	»	39.1	657.–
September .	»	46.6	821.9
December .	»	48.6	825.6
March . .	1924	18.7	291.6
June	»	16.9	275.2
September .	»	61.5	878.–
December .	»	79.–	1,018.8

These are the figures used for the calculations in the various introduction tables (Vol. I).

The gold received by the Government, as a result of the distribution of the reserve of the Austro-Hungarian Bank among the Succession States completed by June 1924, has not been ceded or sold directly to the National Bank, although part of it was temporarily deposited with the Bank and included in its gold reserve, which fact accounts for certain fluctuations in the reserve figures for 1921 and 1922. This gold, amounting in all to 30.95 million gold kronen, *i.e.* 32.5 million gold dinara, has by subsequent sales on behalf of the Government been converted by the Bank into foreign exchange, which has been sold for bank notes on the domestic market. The total sum sold amounted to the equivalent of 332.2 million paper dinara.

The Bank states that the proceeds from these sales are to be used for repaying part of the State debt arising from the exchange of the kronen notes (see detailed statement below). Up to the end of 1924 no such repayments had been made from these resources, but it has been officially stated that this will be done out of special budget grants to the above amount as soon as circumstances permit.

Indebtedness of the State to the National Bank:

The advances to the Government of 57.9 million dinara at the end of July 1914 shown in Table 22 constituted no real debt as they were more than counterbalanced by the Government gold and silver deposited with the Bank as security. The increase in the Serbian State debt to the National Bank during the war was mainly covered by the credits opened for the account of the Serbian Government by her Allies and more especially the French Government. In 1918 and 1919 certain additional advances without specific cover were granted to the Government. In subsequent years the foreign Government credits, as already mentioned, ceased to represent actually disposable foreign assets.

The Government incurred a considerable indebtedness with the transformed National Bank in connection with the organisation of the new Serb-Croat-Slovene State and the currency unification. The composition since 1920 of the total State debt to the Bank, as shown in the groups V (*a*) and VI (*a*) of Table 22, has been as follows:

Dinara (000,000's omitted.)

End of	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
State debts arising from the conversion of the kronen notes . . .	1,194.5	1,267.1	1,238.2	1,199.8	1,208.2	1,208.2	1,208.2	1,186.4
Regular advances	150.9	816.8	967.2	961.7	964.–	966.4	966.4	966 4
Extraordinary advances	1,558.9	2,000.–	2,000.–	2,000.–	2,000.–	2,000.–	2,000.–	2,000.–
Advances on the exchange accounts.	379.–	334.3	312.1	362.9	391.4	389.9	389.9	367.9
Total State debt . .	3,283.3	4,418.2	4,517.5	4,524.4	4,563.6	4,564.5	4,564.5	4,520.7

By the "transitory regulations" concerning the operations of the National Bank, which have been in force since the beginning of February 1920, the State debt arising from the conversion of the kronen-notes stamped by the Government was given the form of a long-term loan free of interest granted to the State against Treasury bonds of an equal amount. As an additional guarantee, the Government also pledged certain State domains (forests, etc.) with the bank. No time is fixed for the final repayment of this State debt; but the "transitory regulations" prescribe that annual repayments should be effected from the following sources:

(1) The Government's share in the profits of the bank;
(2) The net revenues accruing from the State domains;
(3) Additional budget grants;
(4) A special sinking fund providing for the regular amortisation of the remaining debt by 1% per annum after 6 years and by 2 % per annum after 9 years from the date when the law came into force.

Up to the end of 1924 repayments were effected only from the Government's share in the Bank's profits. This share, all of which was devoted to this purpose, amounted, after deducting the cost of printing notes, to 89.7 million dinara in the period 1921 to 1924.

Under the terms of a Convention of January 26th, 1920, concluded in connection with the transformation of the National Bank, the Bank had to open in favour of the Government (1) an "ordinary credit", bearing 2 % interest, of 150 million dinara for current needs, and (2) a second credit, free of interest, of 500 million dinara for certain extraordinary reconstruction purposes. The first credit was increased in 1921 to 1 milliard dinara and the second in November 1920 to 2 milliard dinara. This second credit, which is secured in part by a mortgage on the same State domains as serve as cover for the kronen-conversion debt, has to be repaid by July 24th, 1931. Repayment had not begun at the end of 1924.

The advances on the exchange accounts given at the bottom of the statement above are covered in part by the Government gold deposits shown in the detailed statement on page 152, which gold, expressed in paper dinara, represents a sum that considerably exceeds the total State debt on these accounts.

The State domains pledged as additional guarantee for the notes issued against the State debt free of interest given as the first item, and the extraordinary advances given as the third account in the statement above are entered as a transitory item on both sides of the balance-sheets of the Bank and are excluded from Table 22 as are also certain other *comptes d'ordre*. The mortgage value of these domains is 2,138.4 million dinara, whereas the debts for which they serve as guarantee amounted to 3,186.4 million dinara at the end of 1924.

Note circulation:

In addition to the old Serbian dinar notes, there were in circulation at the end of 1918 kronen notes of the Austro-Hungarian Bank, Montenegrin perper and Bulgarian lev notes.

On January 8th, 1919, the stamping of the kronen notes was decreed and on November 5th, 1919, a law was passed recalling these stamped notes in order that a special stamp might be pasted on to them with a view to further security against forgery. The actual conversion took place between November 26th, 1919, and January 1st, 1920. Twenty per cent of the notes surrendered were withheld and not put back into circulation, except in cases when the total amount paid in by an individual was less than 1,000 kronen. It proved impossible to complete the conversion of kronen notes within the period originally anticipated, but by the end of March 1920 the majority of these notes had been withdrawn.

In the part of Dalmatia attributed to the Kingdom of the Serbs, Croats and Slovenes the conversion took place after the Treaty of Rapallo of November 1920, the rate of exchange being graduated from 10 kronen to 1 dinar in the case of amounts under 5,000 kronen, up to 100 kronen to 1 dinar for amounts exceeding 250,000 kronen.

In the autumn of 1920 the Montenegrin perper notes, to a value of between 10 and 12 million perpers, were converted. The rate of conversion varied according to the number of notes exchanged by each individual. For persons having less than 5,000 perpers, one dinar was given for every perper; for persons having more than 5,000, the first 5,000 were converted at par and the remainder at the rate of two perper to one dinar.

The lev notes were bought up by the Government towards the end of 1920 and during 1921 at the mean bourse rate of the day.

After its transformation, the National Bank was given the exclusive privilege of note issue for a period of 25 years and was charged with the exchange against its own notes of the old Austro-Hungarian and

the temporary dinar-kronen notes stamped by the Government, as well as the old dinar notes. Until this exchange is effected, the old dinar notes and the dinar-kronen notes are to be used as notes of the Bank. The State debt resulting from these transactions is shown in the detailed statement on page 153 above.

The " metallic reserve " represented by the Bank's holdings of gold, silver, foreign bank notes and foreign exchange must, according to the bank law, amount to at least one-third of the notes in circulation. The circulation in excess of the " metallic reserve " must be fully covered by such " commercial and financial assets " as are easily convertible into cash. Under the " transitory " provisions in force, the note issues represented by the State debt to the Bank, with the exception of the " regular advances " to the Government (see statement above), are exempted from this regulation. Moreover, under the same provisions, all the assets of the Bank rank temporarily as cover for the notes in circulation.

Table 23. **SPAIN**

ACCOUNTS	BANK Position in	
	1913	1918
ASSETS.		
I. Metallic Reserve at home	1,199.2	2,872.4
(*a*) Gold	479.9	2,228.3
(*b*) Silver and Token coins	719.3	644.1
II. Other items of a Reserve or Cash nature	6.9	5.7
III. Assets in and Claims on Foreign Countries	194.2	86.7
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	194.2	86.7
IV. Commercial Bills	356.8	755.5
(*a*) Inland	—	—
(*b*) Foreign	—	—
V. Securities and Investments	611.1	699.2
(*a*) Government	594.4	687.4
(*b*) Other	16.7	11.8
VI. Loans and Advances	702.8	910.6
(*a*) to the Government	42.7	78.4
(*b*) on Government securities (*c*) Other	660.1	832.2
VII. Sundries (including Premises, etc.)	41.0	25.0
VIII. Total Assets	**3,112.0**	**5,355.1**
LIABILITIES.		
IX. Capital	150.0	150.0
X. Reserve Funds	20.0	60.0
XI. Profit and Loss and Dividends Accounts, etc.	23.2	26.3
XII. Notes in circulation	1,931.3	3,334.3
XIII. Post Bills, Cheques, etc., in circulation	—	—
XIV. Current Accounts	773.8	1,590.4
(*a*) Government	83.0	8.2
(*b*) Other	690.8	1,582.2
XV. Other Deposits	147.7	127.4
(*a*) Government	98.2	69.2
(*b*) Other	49.5	58.2
XVI. Sundries (including Pension Funds)	66.0	66.7
XVII. Total Liabilities	**3,112.0**	**5,355.1**

F SPAIN

esetas (000,000's omitted) at the end of

1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
3,078.2	3,032.6	3,139.5	3,172.4	3,178.2	3,189.6	3,197.3	3,192.0	3,187.9
2,445.9	2,457.1	2,512.9	2,524.8	2,527.7	2,528.3	2,534.2	2,534.9	2,535.2
632.3	575.5	626.6	647.6	650.5	601.3	663.1	657.1	652.7
6.4	9.0	45.4	11.7	20.3	53.1	13.0	12.2	15.4
60.4	82.5	41.7	36.7	30.4	29.5	34.5	31.3	33.9
—	—	—	—	—	—	—	—	—
60.4	82.5	41.7	36.7	30.4	29.5	34.5	31.3	33 9
985.6	1,227.4	1,093.0	751.2	954.8	784.6	828.7	855.5	918.7
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
606.6	607.2	607.5	607.5	605.9	605.7	605.6	607.1	605.4
594.5	594.5	594.5	594.5	592.3	591.9	591.6	591.2	590.8
12.1	12.7	13.0	13.0	13.6	13.8	14.0	15.9	14.6
1,182.6	1,639.5	2,424.2	2,111.2	2,023.4	2,035.5	2,170.7	2,095.4	2,422.5
4.1	362.5	15.8	20.8	10.9	8.3	10.3	9.7	14.5
1,178.5	1,277.0	2,408.4	2,090.4	2,012.5	2,027.2	2,160.4	2,085.7	2,408.0
28.7	37.5	93.4	120.4	103.4	19.1	20.5	32.5	503.8
5,948.5	**6,635.7**	**7,444.7**	**6,811.1**	**6,916.4**	**6,717.1**	**6,870.3**	**6,826.0**	**7,687.6**
150.0	150.0	150.0	177.0	177.0	177.0	177.0	177.0	177.0
62.0	63.0	78.0	53.0	55.0	55.0	55.0	55.0	57.0
31.1	45.8	47.0	27.4	23.9	17.3	40.0	21.7	26.0
3,866.9	4,326.2	4,244.1	4,137.0	4,352.7	4,322.3	4,342.6	4,458.1	4,546.7
—	—	—	—	—	—	—	—	—
1,620.4	1,769.4	2,680.3	2,167.6	2,025.6	1,972.6	2,112.5	1,957.8	2,204.2
54.9	17.4	977.4	321.6	262.1	146.0	282.1	243.8	302.3
1,565.5	1,752.0	1,702.9	1,846.0	1,763.5	1,826.6	1,830.4	1,714.0	1,901.9
138.9	157.2	171.9	141.7	239.1	154.7	142.7	156.4	211.6
88.8	105.2	111.3	76.0	162.2	106.1	87.3	89.8	155.8
50.1	52.0	60.6	65.7	76.9	48.6	55.4	66.6	55.8
79.2	124.1	73.4	107.4	43.1	18.2	0.5	—	465.1
5,948.5	**6,635.7**	**7,444.7**	**6,811.1**	**6,916.4**	**6,717.1**	**6,870.3**	**6,826.0**	**7,687.6**

SPAIN

Notes.

Metallic reserve and note circulation:

It will be noted from Table IV (Vol. I) that the gold reserve shown in the balance sheets of the Bank of Spain consists of three items: (1) gold belonging to the Bank; (2) gold deposited on current account; and (3) gold belonging to the Treasury. The two items last mentioned, which only constitute a minor part of the reserve, are likewise entered on the liabilities side of the balance sheet, as are also a part of the silver reserve and the balances with foreign correspondents, both of which items serve as cover for the note circulation.

According to the law of December 29th, 1921, the note circulation of the Bank is to be covered: (*a*) up to 4,000 million pesetas, by at least 40% in gold, plus 5% in gold or silver = 45% metallic cover as a minimum; (*b*) from 4,000 to 5,000 million pesetas, by at least 50% in gold plus 10% in gold or silver = 60% metallic cover as a minimum.

However, the metallic reserve may consist up to 3% of balances abroad disposable at sight, which balances may be counted as gold in calculating the above percentages.

In addition to the above stipulations concerning the minimum percentage of metallic cover for the notes in circulation, the note issue of the Bank is limited by the law to a maximum of 5 milliard pesetas. On the application of the Bank, and in agreement with the Supreme Banking Council established under the same law, the Government may authorise an increase in the note issue of the Bank up to a maximum of 6 milliard pesetas, subject to the 60% metallic cover as explained above. (For details concerning the successive extensions of the authorised limit for the note issue previous to the law here referred to, see *Memorandum on Currency*, 1913-1923, pages 136-137).

Indebtedness of the State to the Bank of Spain:

The pre-war State debt to the Bank included in group V (*a*) of Table 23 above was composed as follows:

Advance to the Treasury (Law of 14/VII/1891)	150.0 million pesetas
Treasury bills (Law of 2/VIII/1899)	100.0 " "
Bonds of the Standing Internal Debt at 4%	344.4 " "
Total.	594.4 million pesetas

The advance of 150 million pesetas to the Treasury and the 100 million pesetas of Treasury bills held by the Bank represent statutory advances to the State. The first of these advances is free of interest, and the second is subject to an interest of 2% per annum. In 1923, the Treasury began to pay off the latter advance. Up to December 29th, 1924, 3.7 million pesetas had been paid back, the item being shown in the weekly return of that date at 96.3 million pesetas. The other items in the above statement have remained unchanged throughout the whole period under review. The amount shown in this group of the table at the end of 1918 includes, in addition, 93 million pesetas of "Treasury bonds to be sold", which were held only temporarily by the Bank.

According to the law of December 29th, 1921, the maximum amount of the advances in current account (group VI (*a*) of Table 23) which the Bank, "in supporting the financial needs of the Government", may accord to the Treasury is fixed at 350 million pesetas. As long as the balance in favour of the Bank on the Treasury's current account is less than 200 million pesetas, these advances are free of

interest. On that part of the outstanding balance which exceeds this amount, the Treasury has to pay interest at ½ %.

The remaining loans and advances of the Bank, apart from the discounts, are granted mainly against Government securities, although this is not clearly shown in the balance sheets. (For further details concerning these operations as well as the various deposits, see *Memorandum on Central Banks*, 1913 and 1918-1923, pages 338-339).

Table 24

SWEDEN

ACCOUNTS	BANK OF Position in 1913	1918
ASSETS.		
I. Metallic Reserve at home	107.3	286.0
(*a*) Gold	102.1	285.6
(*b*) Silver and Token coins	5.2	0.4
II. Other items of a Reserve or Cash Nature	11.0	35.5
III. Assets in and Claims on Foreign Countries	30.5	45.7
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	30.5	45.7
IV. Commercial Bills	227.1	350.8
(*a*) Inland	157.3	280.3
(*b*) Foreign	69.8	70.5
V. Securities and Investments	30.9	59.6
(*a*) Government	—	2.7
(*b*) Other	30.9	56.9
VI. Loans and Advances	22.9	181.7
(*a*) to the Government	—	—
(*b*) on Government securities	22.9	181.7
(*c*) Other		
VII. Sundries (including Premises, etc.)	0.6	92.3
VIII. Total Assets	**430.3**	**1,051.6**
LIABILITIES.		
IX. Capital	50.0	50.0
X. Reserve Funds	12.5	12.5
XI. Profit and Loss and Dividends Accounts	15.8	21.9
XII. Notes in circulation	234.5	813.5
XIII. Post Bills, Cheques, etc., in circulation	2.0	11.5
XIV. Current Accounts	113.8	134.5
(*a*) Government	98.6	99.7
(*b*) Other	15.2	34.8
XV. Other Deposits	—	—
(*a*) Government	—	—
(*b*) Other	—	—
XVI. Sundries (including Pension Funds)	1.7	7.7
XVII. Total Liabilities	**430.3**	**1,051.6**

Table 24

SWEDEN

SWEDEN

Kronor (000,000's omitted) at the end of

1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
282.2	284.5	286.0	293.2	284.6	280.9	254.5	252.1	241.2
281.2	281.8	274.7	274.0	271.8	271.2	247.3	246.7	237.0
1.0	2.7	11.3	19.2	12.8	9.7	7.2	5.4	4.2
37.9	48.6	48.3	34.0	29.7	34.2	31.2	29.7	38.7
48.8	73.6	55.4	129.0	43.3	23.6	31.5	56.7	94.8
—	—	—	—	—	—	—	—	—
48.8	73.6	55.4	129.0	43.3	23.6	31.5	56.7	94.8
520.3	572.5	597.4	466.6	436.8	371.4	447.3	344.3	459.5
453.3	541.2	525.0	432.6	435.8	371.2	441.5	343.8	454.8
67.0	31.3	72.4	34.0	1.0	0.2	5.8	0.5	4.7
53.4	17.2	20.7	97.8	120.7	94.2	62.6	59.5	54.3
2.9	2.4	3.7	3.2	14.1	13.8	13.8	13.8	13.1
50.5	14.8	17.0	94.6	106.6	80.4	48.8	45.7	41.2
102.7	17.0	42.9	58.2	63.1	51.8	50.1	51.5	48.0
—	—	—	—	—	—	—	—	—
102.7	17.0	42.9	58.2	63.1	51.8	50.1	51.5	48.0
30.0	4.1	3.6	2.0	2.1	6.5	0.7	0.3	1.7
1,075.3	**1,017.5**	**1,054.3**	**1,080.8**	**980.3**	**862.6**	**877.9**	**794.1**	**938.2**
50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
27.8	7.5	18.9	30.9	25.0	24.8	26.1	27.3	25.9
747.6	759.9	627.7	584.2	576.4	557.2	557.5	564.2	537.3
10.4	5.4	4.5	5.3	3.2	2.8	2.8	3.0	1.9
218.7	176.4	335.3	394.0	308.3	203.4	226.3	134.7	304.9
193.3	142.4	309.5	372.2	296.1	192.3	218.6	119.6	292.8
25.4	34.0	25.8	21.8	12.2	11.1	7.7	15.1	12.1
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
8.3	5.8	5.4	3.9	4.9	11.9	2.7	2.4	5.7
1,075.3	**1,017.5**	**1,054.3**	**1,080.8**	**980.3**	**862.6**	**877.9**	**794.1**	**938.2**

SWEDEN

Notes.

Metallic and foreign exchange reserves. — Exchange policy:

As will be noted from Table I (Vol. I), the Swedish exchange has remained close to the dollar parity since the beginning of 1922. In August of that year, the export gold point was reached, and for a number of months at the end of 1922 and the beginning of 1923 the krona was at a premium as compared with the dollar, although within the import gold point. The right of free coinage and the obligation of the Riksbank to buy all gold offered at a fixed price, which had been suspended since the opening of 1916, became once more effective during 1922. But the restrictions imposed during and after the war upon the export of gold remained in force and the obligation of the Riksbank to redeem its notes in gold remained suspended throughout 1923.

The gold policy of the Government and the Riksbank had been the subject of numerous debates in the Riksdag since the first suspension of that obligation in March 1920, and the Government repeatedly declared its intention of re-establishing an effective gold currency as soon as the international economic and exchange position rendered it possible. The stabilisation of the purchasing power of gold and of commodity prices, more especially in the United States, has been considered throughout as a necessary prerequisite to the adoption of such a policy. The desirability of common action between the States in a position similar to that of Sweden has further been emphasised by the Government.

On the last suspension in 1923 of the gold redemption of the notes, the Riksbank had been granted exemption from its obligation only under the express condition that it should maintain the parity of the krona in relation to the dollar. When, towards the end of 1923 and in the beginning of 1924, the dollar rate tended to rise, and alongside the official rate another rate of exchange for the dollar was formed on the market which gradually reached 2 to 3 per cent above par, a strong opinion arose against a further suspension of the gold redemption of the notes, the fulfilment on the part of the Central Bank of its obligation in this respect being considered as the only guarantee, in the actual circumstances, against a depreciation of the currency. Therefore, when the Riksbank applied in the beginning of March 1924 for a further six-months extension from the end of that month of the relief from the redemption obligation, the Minister of Finance advised a period of only two months, after which time the redemption should be made effective. This proposal was duly submitted to the Banking Committee of the Riksdag, which, however, recommended that no further respite be granted. The recommendation of the committee was adopted by the Riksdag, so that full convertibility was restored by the expiry of the suspension on March 31st. The prohibition to export gold was abolished from the same date, except as regards Scandinavian gold coins. The inter-Scandinavian agreement concerning the prohibition to export such coins was subject to three months' notice, which was duly given on that date, to the effect that the embargo on these coins was lifted on July 1st, 1924. On the other hand, the Riksbank was given provisionally the monopoly of gold imports, to be applied at its discretion.

The monthly movements in the gold and foreign exchange holdings of the Riksbank in 1924 are given below:

Kronor (000,000's omitted)

End of	Gold reserve	Net-Balances with foreign banks	Foreign bills	Foreign Government securities	Total foreign exchange	Total gold and foreign exchange
January 1924 . .	271.7	37.3	0.7	74.3	112.3	384.–
February ,, . . .	271.5	26.9	0.4	70.9	98.1	369.6
March ,, . . .	271.2	21.5	0.2	77.5	99.1	370.3
April ,, . . .	265.–	27.3	0.1	62.3	89.7	354.7
May ,, . . .	247.5	20.1	—	48.5	68.7	316.2
June ,, . . .	247.3	29.–	5.8	43.–	77.8	325.1
July ,, . . .	249.2	52.7	—	42.4	95.1	344.3
August ,, . . .	250.9	52.–	—	42.4	94.4	345.3
September ,, . . .	246.7	51.2	0.5	42.1	93.8	340.5
October ,, . . .	240.2	60.1	1.1	41.3	102.5	342.7
November ,, . . .	239.–	50.8	4.1	40.5	95.4	334.4
December ,, . . .	237.–	93.7	4.7	37.9	136.3	373.3

Between the end of March, when the gold redemption of the notes was reintroduced and the gold export restrictions abolished, and the end of May, the gold reserve decreased by about 24 million kronor and the foreign exchange reserve by 31 million kronor. In June the conditions improved. In order to assist the Riksbank in supporting the exchange, the National Debt Office, in March and April, raised short-term credits of $10 millions by discounting Swedish Treasury bills on the New York market, and, in the middle of May, a credit on current account of $25 millions with the National City Bank of New York. The former credits were repaid in September and October. At the end of that month the National Debt Office concluded on the same market a long-term State loan of $30 millions, part of which may have been used for exchange purposes. In May 1925 the credit of $25 millions was prolonged for another year up to May 20th, 1926.

In accordance with the amendment to the Scandinavian Monetary Convention resulting from the Coinage Conferences in Oslo and Stockholm (see Notes on NORWAY) the old Norwegian and Danish divisionary coins ceased to be legal tender in Sweden on October 6th, 1924; but the Riksbank continues to redeem them at their face value in Swedish legal tender. Redemption by Norway and Denmark has been arranged by delivery to the Riksbank of Norwegian and Danish State bonds made out in Swedish kronor and bearing interest at 4½ per cent, which bonds are due for payment on January 2nd, 1929.

Investments, loans and advances:

The "other" securities in group V (*b*) of Table 24 consist mainly of the foreign Government securities shown separately in Table V (Vol. I) and in the statement of the exchange reserve above.

The only advances of any importance to the Government or to Government institutions made by the Riksbank were those to the State organisations set up during the war for the supply of foodstuffs and fuel, advances which were repaid in June 1918 by means of a credit of 550 million kronor raised for that purpose with a syndicate of commercial banks [1]. The Riksbank does not discount Treasury bills. These are placed directly on the market through the intermediary of the National Debt Office. According to the Bank law of May 12th, 1897, the Bank is allowed to make advances on current account to the National Debt Office up to the amount of 1 ½ million kronor only.

Note circulation:

According to the law of May 12th, 1897, with later amendments, the Riksbank is authorised to issue notes up to a sum equal to twice the gold reserve at home plus 125 million kronor. In case of emergency, the Government, subject to the approval of Parliament, may extend this limit. The authorised issue of the Bank was thus extended in the beginning of 1915 by 125 million kronor, and, for short periods in 1918 and 1919, by additional amounts of 125 and 50 million kronor respectively. These additional issues, however, were subsequently withdrawn, and the right to issue 125 million kronor of notes above the original maximum limit accorded in 1915 expired on March 1st, 1922. Since that date, therefore, the pre-war limit of issue has been in force.

The note circulation in excess of the gold reserve at home must be fully covered by the following assets:

(*a*) Easily realisable Government securities (inland or foreign);
(*b*) Bonds of the "General Mortgage Bank" and of the "Town Mortgage Fund of the Kingdom of Sweden" as well as other Swedish bonds quoted on foreign Stock Exchanges;
(*c*) Gold deposited in, or in transit from, foreign countries;
(*d*) Inland and foreign bills;
(*e*) Net balances with foreign banks and bankers, available within six months;
(*f*) Loans and advances on such securities as are mentioned above under (*a*) and (*b*).

[1] This credit had been fully redeemed by the end of 1921.

Table 25

SWITZERLAND

ACCOUNTS	SWIS Position i		
	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	191.3	473.7	528.1
(*a*) Gold	170.0	414.7	453.1
(*b*) Silver and Token coins	21.3	59.0	75.0
II. Other items of a Reserve or Cash nature	3.6	16.1	17.5
III. Assets in and Claims on Foreign Countries	—	50.1	134.2
(*a*) Gold Deposits abroad	—	—	63.9
(*b*) Book Balances and Credits abroad	—	50.1	70.3
IV. Commercial Bills	146.5	276.8	210.6
(*a*) Inland	109.3	256.3	186.1
(*b*) Foreign	37.2	20.5	24.5
V. Securities and Investments	6.4	8.6	6.6
(*a*) Government	0.2	3.3	3.1
(*b*) Other	6.2	5.3	3.5
VI. Loans and Advances	49.6	381.0	369.8
(*a*) to the Government	—	312.0	301.0
(*b*) on Government securities	49.6	69.0	68.8
(*c*) Other			
VII. Sundries (including Premises, etc.)	7.4	7.6	6.4
VIII. Total Assets	**404.8**	**1,213.9**	**1,273.2**
LIABILITIES.			
IX. Capital	25.0	25.0	25.0
X. Reserve Funds	1.1	3.4	3.9
XI. Profit and Loss and Dividends Accounts	3.5	5.5	7.5
XII. Notes in circulation	313.8	975.7	1,036.1
XIII. Post Bills, Cheques, etc., in circulation	0.8	2.8	1.4
XIV. Current Accounts	59.0	187.6	180.9
(*a*) Government	30.6	20.1	18.7
(*b*) Other	28.4	167.5	162.2
XV. Other Deposits	—	—	—
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XVI. Sundries (including Pension Funds)	1.6	13.9	18.4
XVII. Total Liabilities	**404.8**	**1,213.9**	**1,273.2**

Table 25

SWITZERLAND

TIONAL BANK

ncs (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
600.6	659.7	632.0	629.8	630.7	612.4	597.8	587.5
477.7	549.5	526.3	537.2	536.2	512.8	504.8	499.0
122.9	110.2	105.7	92.6	94.5	99.6	93.0	88.5
20.6	26.6	20.2	20.3	11.7	—	—	3.7
68.6	15.6	16.4	9.0	25.6	14.2	25.5	53.8
65.2	—	8.8	—	—	—	—	6.9
3.4	15.6	7.6	9.0	25.6	14.2	25.5	46.9
194.9	90.6	101.7	192.5	146.2	164.7	208.1	233.2
172.9	47.5	35.3	107.1	—	—	—	86.9
22.0	43.1	66.4	85.4	—	—	—	146.3
5.9	6.5	9.8	8.6	8.2	6.8	6.9	6.8
2.8	3.0	6.1	5.3	—	—	—	4.2
3.1	3.5	3.7	3.3	—	—	—	2.6
351.6	390.7	406.7	270.1	160.8	177.8	179.7	187.4
280.0	287.3	325.6	154.8	77.0	77.0	77.0	78.0
71.6	103.4	81.1	115.3	83.8	100.8	102.7	109.4
5.9	10.0	12.5	11.2	22.8	20.7	22.2	10.0
1,248.1	**1,199.7**	**1,199.3**	**1,141.5**	**1,006.0**	**996.6**	**1,040.2**	**1,082.4**
25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
4.4	4.9	5.4	5.9	6.4	6.4	6.4	6.4
11.4	9.1	7.6	7.0	—	—	—	6.4
1,023.7	1,009.3	976.4	982.0	900.9	877.1	891.3	913.9
1.5	1.1	1.3	2.2	—	—	—	1.3
163.4	128.6	164.2	103.4	51.4	62.9	90.9	117.0
11.5	7.7	11.0	13.0	—	—	—	8.2
151.9	120.9	153.2	90.4	—	—	—	108.8
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
18.7	21.7	19.4	16.0	22.3	25.1	26.6	12.4
1,248.1	**1,199.7**	**1,199.3**	**1,141.5**	**1,006.0**	**996.5**	**1,040.2**	**1,082.4**

SWITZERLAND.

Notes.

Metallic reserve. — Gold and silver policy:

The gold deposited abroad on certain dates given in Table IV (Vol. I) and Table 25 above, has always been at the free disposal of the National Bank, and no discrimination is made between this gold and the domestic reserve in the provisions concerning cover for the note circulation.

In December 1921, when the dollar was at a discount as compared with the Swiss franc and, as a result, the gold imports to Switzerland assumed important proportions, an attempt was made to re-introduce gold into circulation, but without re-introducing compulsory gold redemption of the notes. It is demonstratable that by the end of April 1922, when the discount changed into a premium, at least 117 millions in gold had been put into circulation; the amount of other gold coins which reappeared in circulation in the same period is not known. After April 1922 no more gold coins were issued, but in spite of a continued increase in the dollar premium up to a maximum of 7 % on October 27th and a certain amount of smuggling of coins melted down into bullion some gold remained in circulation until the end of September. During the last quarter of 1922, the "initiative" for a capital levy aroused a feeling of insecurity which led to the complete disappearance of gold from circulation.

The decrease in the National Bank's gold reserve by about 30 million francs in the middle of 1924 (end of April to beginning of July) was due to the gold exports to the United States by the Bank in connection with the exchange policy. With the partial re-establishment of the pre-war gold standard in certain countries, and more especially the United Kingdom, the question of a return to gold has occupied considerable attention in Switzerland. In the last annual report of the National Bank, the possibility of gradually re-introducing gold into the effective circulation, in order to gain experience before the re-establishment of the compulsory gold redemption of the notes, is visualised. The parity to the dollar was again reached by the end of 1924, and in 1925 gold reappeared in circulation. The prohibition to export gold without authorisation imposed by Federal Decree of July 16th, 1915, remains in force.

The Swiss silver policy in the years 1919–1921, culminating in the Convention of December 9th, 1921, between the State members of the Latin Monetary Union, is dealt with in detail in the *Memorandum on Currency*, 1913–1923, pages 138 and 139. Foreign silver coins were demonetised by a Federal Decree of December 28th, 1920. Up to then the National Bank had been entitled to count the five-franc pieces in its reserve at their nominal value as cover for the notes in circulation. By another Decree of February 18th, 1921, it was stipulated that the Bank should count these coins at the value of their actual silver content (*i.e.* the bullion price of silver) and that the silver portion of the metallic reserve should not exceed one-fifth of its aggregate value. The loss on the silver coins involved by their demonetisation was to be borne by the Federal Government. As cover for this loss, the Bank made an advance in bank notes to the Government, which advance is free of interest and represents the difference between the face value and the bullion price of the silver five-franc pieces in the metallic reserve of the Bank. At the end of 1921, 1922, 1923 and 1924, such coins with a face value of 225.5, 212, 168 and 156 million francs respectively were held by the Bank, the difference representing 117.3, 108.1, 77.3 and 78 million francs respectively. Under the terms of the Convention of December 9th, 1921, however, the countries of issue are bound to redeem in quarterly instalments over a period of five years beginning on January 5th, 1927, these coins at their nominal value, partly in gold and partly in Swiss five-franc pieces or drafts on Switzerland. The decrease in the silver reserve since the end of 1921 shown in Table 34 above is mainly due to reminting of foreign into Swiss five-franc pieces, which were later put into circulation. The figures for this new coinage are given below in the section on money circulation.

Foreign assets and exchange policy of the National Bank.

The foreign bill portfolio given under IV (*b*) in Table 25 is not shown separately in the weekly returns of the Bank, but is included in the inland discounts, as it is also in the quarterly statements of the table which are based on these returns. The increase in the aggregate amount of these items

since March 1924 reflects, however, an increase in the foreign bill holdings, the inland discounts having decreased. It will be noted that also the sight balances with the Bank's foreign correspondents increased in 1924. This strengthening of the foreign assets would appear to have been made with a view to re-introducing the gold standard, and has been aided by the loan of $ 30 millions at 5 ½ % contracted in the United States at the end of March 1924 by the Federal Government for the purpose of repaying the Treasury bills held by the Bank and of providing dollar exchange for its purchase of cereals and for the service of its American debts.

Discounts, loans and advances of the National Bank:

At the end of 1913 there was no State indebtedness to the National Bank. The State debt at the end of the years 1918–1924 was composed as follows:

Francs (000,000's omitted)

End of	1918	1919	1920	1921	1922	1923	1924
Ordinary Treasury bills and Federal Railway bills discounted	312.–	301.–	280.–	170.–	217.5	78.–	—
Special Treasury bills representing the silver demonetisation advance	—	—	—	117.3	108.1	76.8	78.–
Total	312.–	301.–	280.–	287.3	325.6	154.8	78.–

As already mentioned, the Federal Treasury bills held by the Bank have been redeemed out of the proceeds of the American loan of March 1924, and the Federal Railway bills were repaid from a loan of 150 million francs raised at the same time on the domestic market. By May 5th, 1924, the State debt to the National Bank on account of these bills was fully redeemed, and no new discounts of this kind have since then been made by the Bank. The amount of such bills held by the Bank at the end of March 1924 was not shown separately in the return, and is therefore included in the commercial discounts in group III of Table 25. The silver demonetisation advance referred to above will be redeemed before January 5th, 1932, from the payments which the Belgian, French and Italian Governments have to make under the Convention of December 9th, 1921.

The commercial credits of the Bank shown under III (*a*) and VI (*b*) and (*c*) in Table 25 were composed as follows on the various dates given in the table:

Francs (000,000's omitted).

End of	1913	1918	1919	1920	1921	1922	1923	1924
Discounts	109.3	256.3	186.1	172.9	47.5	35.3	107.1	86.9
Advances on securities in current account:								
Callable in not more than 10 days	28.4	40.9	32.7	36.6	34.5	17.5	83.5	70.8
Other					41.6	44.7	1.8	—
Correspondents	21.2	28.1	36.1	35.–	27.3	18.9	30.–	38.6
Total	158.9	325.3	254.9	244.5	150.9	116.4	222.4	196.3

As already mentioned, the inland discounts are not separated from the foreign bills in the weekly returns of the Bank. The position at the end of the various quarters of 1924, therefore, is not rendered quite clear in Table 25. It will be seen, however, that the inland discounts and the advances were reduced in 1924. According to the report for that year, this credit restriction constituted part of the policy of the Bank to improve the exchange and to stabilise it at the gold parity. This line of policy was chosen as an increase of the discount rate was not believed to be efficient on account of the abnormal financial and economic conditions still prevailing. A system of credit rationing was introduced and applied with the object of preventing the granting of excessive credits to foreign countries and of checking long-term operations which affect the note issue.

Money circulation:

According to Article 19 of the law on the National Bank of April 7th, 1921, the following assets may serve as cover for the notes in circulation:

Metallic reserve, exclusive of small coins (*i.e.* gold coin and bullion and five-franc silver pieces, at present counted at the value of their silver content); discounts (*i.e.* inland and foreign bills, cheques, "obligations", and Treasury bills discounted); gold deposits and balances abroad disposable at sight; advances on securities in current account callable in not more than 10 days (shown separately in the statement above) and advances in current account on precious metals. The metallic reserve must represent at least 40 % of the amount of notes in circulation.

In addition to the banknotes, a limited number of "Darlehns-Kassascheine", *i.e.*, notes issued by the Federal Loan Bureau established in September 1914, have been in circulation. In recent years, however, the major part of these issues has been held by the National Bank, and by the end of 1922, as shown in Table III (Vol. I), there were practically no such notes in the hands of the public.

By a Decree dated February 6th, 1924, the Loan Bureau was to be closed down as from June 30th, 1924, and notification given that all the notes thereof should be withdrawn. Until June 30th, 1924, these notes were accepted at all Government pay offices; after this date and until June 30th, 1925, they were to be cashed only at the Federal Office in Berne. The "Darlehns-Kassascheine" held by the National Bank at the end of the years 1918–1924 constituted the main part of the sums shown in group II of Table 25.

In the years 1922–1924, new five-franc pieces were coined to an aggregate nominal value of 69.4 million francs. Out of this amount coins to a value of 65.5 million francs were minted from five-franc pieces issued by the other members of the Latin Monetary Union.

The Mint report for 1924 gives the following statement of Swiss coins in the hands of the public at the end of that year, including banks:

		Value in francs	
Gold:	20-franc pieces	243,273,560.–	
	10- » »	26,500,000.–	269,773,560.–
Silver:	5- » »	80,000,000.–	
	2- » »	28,789,772.–	
	1- » »	31,894,834.–	
	½- » »	14,403,599.5	155,088,205.5
Nickel:	20-cent. pieces	7,692,060.–	
	10- » »	5,496,210.–	
	5- » »	4,401,110.–	17,589,380.–
Copper:	2- » »	714,276.4	
	1- » »	819,049	1,533,325.4
	Total		443,984,470.9

The corresponding total figure at the end of 1923 was 426,966,850.9 francs, the increase by 17 million francs being represented almost exclusively by new 5-franc pieces coined in 1924.

UNITED KINGDOM

Table 26. **UNITED KINGDOM**

ACCOUNTS	BANK OF Position in £'s		
	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	34,983	79,111	91,342
(*a*) Gold	—	—	—
(*b*) Silver and Token coins	—	—	—
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	—	—	—
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	—	—	—
IV. Commercial Bills	—	—	—
(*a*) Inland	—	—	—
(*b*) Foreign	—	—	—
V. Securities and Investments	18,450	18,450	18,450
(*a*) Government	18,450	18,450	18,450
(*b*) Other	—	—	—
VI. Loans and Advances	65,337	163,246	199,247
(*a*) to the Government	13,199	71,106	92,469
(*b*) on Government securities	—	—	—
(*c*) Other	52,138	92,140	106,778
VII. Sundries	—	—	—
VIII. Total Assets	**118,770**	**260,807**	**309,039**
LIABILITIES.			
IX. Capital	14,553	14,553	14,553
X. Reserve Funds	3,000	3,000	3,000
XI. Profit and Loss and Dividends Accounts, etc.	252	257	272
XII. Notes in circulation	29,608	70,307	91,350
XIII. Post Bills, Cheques, etc., in circulation	14	10	13
XIV. Current Accounts	71,343	172,680	199,851
(*a*) Government	10,256	23,643	19,213
(*b*) Other	61,087	149,037	180,638
XV. Other Deposits	—	—	—
(*a*) Government	—	—	—
(*b*) Other	—	—	—
XVI. Sundries	—	—	—
XVII. Total Liabilities	**118,770**	**260,807**	**309,039**

UNITED KINGDOM

Table 26.

GLAND

's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
8,268	128,434	127,443	128,019	128,106	128,261	128,425	128,560
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
8,450	18,450	18,450	19,750	19,750	19,750	19,750	19,750
8,450	18,450	18,450	19,750	19,750	19,750	19,750	19,750
—	—	—	—	—	—	—	—
3,893	120,127	130,126	130,678	123,312	128,680	118,305	172,180
7,865	36,962	51,968	49,605	48,167	47,588	41,698	68,580
—	—	—	—	—	—	—	—
6,028	83,165	78,158	81,073	75,145	81,092	76,607	103,600
—	—	—	—	—	—	—	—
0,611	**267,011**	**276,019**	**278,447**	**271,168**	**276,691**	**266,480**	**320,490**
4,553	14,553	14,553	14,553	14,553	14,553	14,553	14,553
3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
340	334	345	280	712	318	704	343
2,851	126,520	124,878	128,143	125,403	126,509	123,909	128,296
8	14	16	9	10	15	13	8
9,859	122,590	133,227	132,462	127,490	132,296	124,301	174,290
4,305	16,058	13,324	15,682	26,983	19,593	13,537	8,511
5,554	106,532	119,903	116,780	100,507	112,703	110,764	165,779
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
0,611	**267,011**	**276,019**	**278,447**	**271,168**	**276,691**	**266,480**	**320,490**

UNITED KINGDOM AND IRELAND

Notes

Bank of England returns:

The only statements published by the Bank of England concerning its position are the weekly returns showing, in a very much summarised form, the position each Wednesday. Table 26 above is based on the returns for the last Wednesday of each of the years and quarters under review. In the Bank's returns, separate statements are given for the Issue Department and the Banking Department, but, in the table presented above, the accounts of the two departments have been combined. [1]

Gold reserves:

The gold reserve of the Bank of England includes a small portion of silver coins, not shown separately in the published returns, which are held as till money by the Banking Department. The striking increase in the Bank's reserve in 1920 was due mainly to the transfer of most of the gold in the possession of the joint-stock banks to the Bank of England with a view to strengthening its reserve position in conformity with the recommendations of the Cunliffe Committee. The gold ear-marked with the Bank for the account of third parties is not included in the published reserve figures. On April 29th, 1925, the gold reserve held by the Issue Department of the Treasury as cover for the currency notes was transferred to the Bank of England in exchange for bank notes, for the purpose of further strengthening the Bank's reserve when the embargo on gold export was removed. (For further details, see section below on the introduction of the gold standard.)

The gold held by the note issuing Scottish and Irish banks is not included in Table IV (Vol. I), as it is not shown separately in their returns.

Indebtedness of the State to the Bank of England — Other credits:

The Government debt shown under V(*a*) of Table 26 consists of the securities held in the Issue Department as backing for the fiduciary note issue of the Bank. These securities are divided in the published balances into "Government debt" (£11,015,100) and "other securities". The first of these items is the amount of the loans advanced by the Bank to the State previous to 1833 in return for certain privileges. For this standing State debt to the Bank, no bonds are given as security, but the Government pays the same interest as on consols, which has remained at 2 ½ % per annum since April 5th, 1903. The "other securities" in the Issue Department serve as collateral for the remaining 3 millions of the initial fiduciary issue of £14 millions under the Bank Act of 1844, as well as for that part of the notes outstanding which the Bank is authorised to issue in place of lapsed country banks' issues, *i.e.* to the extent of two-thirds of such lapsed amounts. These securities have, in fact, always consisted of consols and other British Government securities, although they need not necessarily be held in that form, as the Bank Act does not restrict the Bank in any way in their choice. In 1903 the "other securities" reached an amount of £7,434,900 and remained at that amount until early in 1923, although various country banks in the meantime lost their note-issuing privileges. By an Order in Council of February 12th, 1923, however, the Bank was empowered to add £1,300,000 to its fiduciary circulation in respect of these lapsed issues. On February 28th, 1923, the total of the securities in the Issue Department reached the amount of £19,750,000, which, therefore, now represents the fiduciary issue of the Bank. All notes issued in excess of that amount are backed by their equivalent in gold.

The claims on the Government given under VI (*a*) in the table are shown in the Bank's returns as "Government securities" in the Banking Department. This item includes, in addition to the Bank's

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[1] For further details concerning the Bank's returns, see *Memorandum on Central Banks*, 1913 and 1918-1923, pages 366-369.

investments in Government stock, Government bills taken up for the Bank's own account either by tender or purchase and the temporary "Ways and Means advances to the Treasury".

When a customer discounts a Treasury bill with the Bank, the amount of the discount is included in the "other securities" in the Banking Department (group VII(*c*) of the table). Such a discount represents in reality an indirect advance to the Government. Apart from these special discounts, the "other securities" comprise the Bank's investments in securities other than British Government issues (which if shown separately would have been given under V(*b*) in the table), loans and advances to bankers, bill-brokers and other customers and commercial discounts. The discounting of commercial bills would appear, however, not to play any predominant role in the Bank's operations. The more general practise of the Bank has been to make advances against bills and other securities. Moreover, it is generally understood that the Bank, as a rule, does not buy bills payable abroad. How far any change in this policy has been made recently is not possible to judge from the published returns.

Note circulation:

According to the Bank Act of 1844, the metallic cover for the note circulation may consist, up to one-fifth, of silver; but the Bank has not made use of that possibility since 1861. With the exception of a comparatively short period in 1920-1921, the note circulation of the Bank has in point of fact been inferior to its gold reserve, although under the Bank Act only the circulation in excess of the fiduciary issue is to be covered by its equivalent in gold. As shown in Table III (Vol. I), however, the circulation of bank notes has, since 1915, been greatly surpassed by that of the currency notes issued by the British Treasury and only fractionally covered by gold. This gold reserve is shown in Table IV (Vol. I). Since the end of 1919 a certain amount of Bank of England notes has been held on redemption account in respect of the currency notes, as will be seen from the following statement showing the metallic cover for these notes:

£'s (000's omitted)

End of	Metallic reserve against Currency notes: Gold coin and Bullion	Silver coin	Bank of England notes	Total	Currency notes in circulation
1919	28,500	—	4,000	32,500	356,000
1920	28,500	—	19,450	47,950	367,000
1921	28,500	3,000	19,450	50,950	325,000
1922	27,000	7,000	21,150	55,150	301,337
1923	27,000	7,000	22,450	56,450	299,070
1924	27,000	7,000	26,950	60,950	296,261

The circulation in excess of the above reserve is backed exclusively by Government securities. On December 16th, 1919, the Chanceller of the Exchequer made a statement in the House of Commons to the effect that the fiduciary circulation of currency notes would be limited in any one year to the maximum of the fiduciary circulation of the previous year. The maximum for 1920 was £320,600,000, for 1921 £317,555,200, for 1922 £309,988,400, for 1923 £270,183,800, for 1924 £248,190,000, and for 1925 £248,145,400. As already mentioned, the gold in the currency reserve was handed over to the Bank of England by the end of April 1925 in exchange for bank notes pending the future amalgamation of the two issues.

The laws concerning fiduciary issues of English private and joint-stock banks and the Scottish and Irish banks of issue remained unchanged during the war, except that the Scottish and Irish banks were authorised to include currency notes as well as gold and silver as cover for any notes beyond the amount of their fiduciary issue.

In order to arrive at the net circulation of notes in the United Kingdom, the following procedure has been adopted in Table III (Vol. I):

I. The notes held in the Banking Department of the Bank of England and its notes held on redemption account in respect of currency notes have been deducted from its total issue.

II. The total circulation of currency notes is given and includes all notes called in but not yet cancelled. The reason for including these notes is that, although they have been recalled, they have not yet been returned to the Currency Issue Department for cancellation. From the point of view of the Currency Issue Department, they must, therefore, be regarded as outstanding and a reserve has to be held against them until such time as actual cancellation takes place. [1]

[1] Such notes included in the circulation figures amounted to £2.7 millions at the end of 1920 and fell subsequently to £1.3 millions at the end of 1924.

III. Only the figures of fiduciary note circulation of private and joint-stock banks are included.

IV. In the case of the Scottish and Irish banks of issue, only the excess issued over the gold, silver and currency notes held by them in reserve is included. This course has been adopted, as separate figures for gold, silver and currency notes are not available. The grand total arrived at is therefore an understatement of the real circulation to the extent of the gold and silver held by these banks. The figures of Scottish and Irish banks in detail were as follows:

Note Issues: £s (000'000 omitted)

	Scottish Banks			Irish Banks		
Average for Month	Total Circulation (*a*)	Currency Notes and Gold and Silver Coin in reserve (*b*)	Fiduciary issue (*a*) — (*b*) (*c*)	Circulation (*d*)	Currency Notes and Gold and Silver Coin in reserve (*e*)	Fiduciary issue (*d*) — (*e*) (*f*)
Dec. 1913	7.8	6.7	1.1	8.5	4.7	3.8
1914	9.7	8.6	1.1	11.9	8.2	3.7
1915	13.–	11.8	1.2	16.1	10.9	5.2
1916	16.–	14.8	1.2	20.4	14.9	5.5
1917	19.9	18.7	1.2	23.8	18.5	5.3
1918	26 1	25.5	0.6	31.9	26.9	5.–
1919	28.7	28.1	0.6	30.5	25.8	4.7
1920	30.2	29.7	0.5	25.8	20.9	4.9
1921	25.7	25.2	0.5	19.9	14.7	5.2
1922	23.9	23.3	0.6	17.9	12.7	5.2
1923	22.9	22.2	0.7	17.3	11.8	5.5
1924	22.9	22.3	0.6	17.1	11.4	5.7

It should be noted that all the above figures and also the figures for English private and joint-stock banks are averages for the month in question and not the totals outstanding as at the last day of each year or month.

Return to gold standard.

Since the spring of 1919, first under the War Powers Act and later under the Gold and Silver (Export Control) Act, 1920, the export of gold coin and bullion from the United Kingdom, except under licence, has been prohibited.[1] The latter Act has not been renewed and, as a result, the formal prohibition to export gold and silver will lapse on December 31st, 1925. The effective prohibition, however, was removed as from April 28th, 1925.

This decision was taken in conformity with the recommendation of the "Committee on the Currency and Bank of England Note Issues", which had been appointed in June 1924 and presented its report to the Treasury in February 1925. This recommendation was worded as follows:

23. We therefore recommend that the early return to the gold basis should forthwith be declared to be the irrevocable policy of His Majesty's Government and that it should be definitely stated that the existing restrictions on the export of gold, which expire on December 31 next, will not be renewed. A general licence should at the same time be given to export gold sold by the Bank for export and the Bank should between now and the date of expiry of the export prohibition avail themselves freely of it whenever the exchange is below the normal export specie point, making good any consequential drafts upon the reserve in the Banking Department in accordance with traditional practice. As from the date of the announcement until such time as the arrangements governing the fiduciary issue can be put on a permanent basis, the existing limitation of that issue should be strictly maintained.

In regard to the amalgamation of the Treasury note issue with the Bank of England note issue, the Committee made the following observations and recommendations as to the terms and conditions on which this operation should be carried out:

37. We return now to the recommendation of the Cunliffe Committee with respect to the amalgamation of the note issues. We have to consider whether the assumption by the Bank of England of the currency note issue must await

[1] The export of gold was not prohibited during the war, since, on account of the expense of shipping gold and the difficulty of covering the risks of shipment by insurance, it was considered unnecessary to do so.

the experience of the problem of maintaining a minimum gold reserve, whether of £150,000,000 as recommended by the Cunliffe Committee or of some other figure.

38. It is clear that throughout their report the Cunliffe Committee contemplated a much earlier removal of the prohibition of gold exports than has actually been deemed expedient, and suggestions have been made to us that the amalgamation of the issues should precede instead of following the restoration of the free gold market, with a view to indicating that the policy of the Government is to restore parity and for the sake of the effect of such an indication upon the foreign exchanges.

39. If our recommendation in regard to the non-renewal of the prohibition of gold exports is adopted, the arguments for altering the sequence of events proposed by the Cunliffe Committee cease to operate and the precise date of amalgamation loses most of its importance. We associate ourselves with the decided preference expressed by the Cunliffe Committee for the principle of a fixed fiduciary issue, and it is as true to-day as five years ago that the permanent fiduciary issue cannot be fixed, except with reference to the actual conditions of a free gold market. It is hardly more feasible to legislate for a progressive reduction to the final figure by definite stages, at any of which the process may be subjected to unforeseen disturbances.

The Treasury cannot escape from the responsibility for the existing issue; we doubt whether the Bank would accept it, until the time when effective control can also be given to them.

40. In this connection we think it necessary to observe that the ultimate dimensions both of the central gold reserve and of the fiduciary issue must be to some extent dependent on whether, after the restoration of the gold standard, gold is or is not largely used for internal circulation.

41. The figure of £150,000,000 suggested for the gold reserve by the Cunliffe Committee is based on the assumption that it will not be so used. If it were, a lower figure would suffice, regard being had to the value of gold in circulation as an emergency reserve, as was demonstrated in 1914. On the other hand, the total note circulation would be *pro tanto* reduced and the fiduciary portion would have to be smaller, both absolutely and proportionally, than if there were no gold in circulation.

42. Any considerable flow of gold into domestic circulation would thus necessitate imports of the metal, which would place an unnecessary burden on our foreign exchanges in a very difficult period.

43. We are of opinion that the use of gold for domestic circulation is a luxury which can well be dispensed with, and which we are, in fact, at any rate during the next few years, not likely to be able to afford.

44. The payment of notes in gold coin upon demand is not in itself essential to the maintenance of the gold standard under modern conditions. An obligation upon the Bank of Issue to buy and sell gold at a fixed price is all that is necessary; and if, in fact, specie payments had been suspended during the war, we should not have recommended their resumption.

45. We should be glad, though mainly for historical and sentimental reasons, to make no formal change in the existing position under which gold coin is still legally obtainable for notes, and we think that the national habit of using paper currency, now firmly established, may suffice to prevent the absorption of any appreciable quantities of gold into domestic circulation, provided that the joint-stock banks are able to assist such a policy by undertaking to abstain from asking for gold coin in exchange for notes either for themselves or for their customers, and from holding gold themselves, and in general by actively discouraging the use of gold among their customers.

46. If, however, there is any doubt whether this will be effective, then we are decidedly of opinion that steps must be taken forthwith by legislative enactment to prevent the internal circulation of gold coin, until such time as the gold standard has been firmly re-established for the purposes of international transactions.

47. We think that, in any circumstances, all Bank of England notes, including the £1 and 10s. notes, ultimately to be substituted for currency notes should in future be payable in coin only at the Head Office of the Bank, and not at the Branch offices.

48. In any case, the coinage of standard half-sovereigns should not be resumed.

49. Subject to this observation, we recommend that the policy with regard to the transfer of the currency note issue to the Bank of England should remain as recommended by the Cunliffe Committee. We should mention that the machinery of issue by the Bank of England of £1 and 10s. Bank of England notes cannot be improvised at short notice. We understand that, if the Bank is to print its own notes, at least a year will be required to set up the necessary organisation, and this must be borne in mind in order that sufficient notice may be given to the Bank. As soon as parity is restored, we recommend that the Bank be authorised to begin the provision of this machinery. Legislation would also be required to enable the Bank to issue notes below £5, and to make those notes legal tender.

50. We anticipate that if the free gold market is restored at the end of 1925, the experience necessary to enable the amount of the fiduciary issue to be definitely fixed will have been obtained by the end of 1927. The transfer of the issue could then take place early in 1928. But it may well be possible to accelerate these dates in the light of experience.

In his budget speech on April 28th, the Chancellor of the Exchequer declared that though the prohibition on the export of gold will continue in form on the Statute Book until December 31st, 1925, the general licence for the export of gold bullion recommended by the Committee was given from that day to the Bank of England, whereby the United Kingdom resumed the position of a gold standard country. The limitations in the new as compared with the pre-war standard are set out in the Gold Standard Act of 1925, simultaneously submitted to and subsequently passed by Parliament. The first part of this Act dealing with the re-introduction of the gold standard reads as follows:

I. (1) Unless and until His Majesty by Proclamation otherwise directs:

(*a*) The Bank of England, notwithstanding anything in any Act, shall not be bound to pay any note of the Bank (in this Act referred to as "a bank note") in legal coin within the meaning of Section 6 of the Bank of England Act, 1833,

and bank notes shall not cease to be legal tender by reason that the Bank do not continue to pay bank notes in such legal coin;

(*b*) Subsection (3) of Section 1 of the Currency and Bank Notes Act, 1914 (which provides that the holder of a currency note shall be entitled to obtain payment for the note at its face value in gold coin), shall cease to have effect.

(*c*) Section 8 of the Coinage Act, 1870 (which entitles any person bringing gold bullion to the Mint to have it assayed, coined, and delivered to him), shall, except as respects gold bullion brought to the Mint by the Bank of England, cease to have effect.

(2) So long as the preceding subsection remains in force, the Bank of England shall be bound to sell to any person who makes a demand in that behalf at the head office of the Bank during the office hours of the Bank, and pays the purchase price in any legal tender, gold bullion at the price of three pounds, seventeen shillings and tenpence halfpenny per ounce troy of gold of the standard of fineness prescribed for gold coin by the Coinage Act, 1870, but only in the form of bars containing approximately four hundred ounces troy of fine gold.

The amalgamation of the currency note issue with the Bank of England note issue has been deferred in conformity with the recommendation of the Currency Committee until sufficient experience of working a free international gold market on the present gold reserve has been obtained, which experience will "enable the amount of the fiduciary issue to be definitely fixed".

The second part of the Gold Standard Act contains an authorisation to the Government to raise within two years after the passing of the Act such credits as may be required for the purpose of exchange operations in connection with the return to a gold standard. In conformity with this authorisation, an arrangement has been made for a credit for two years in the United States of $300 millions, of which $100 millions are to be made available for the British Government if required by Messrs. J. P. Morgan and Co., and 200 millions are placed at the disposal of the Bank of England as a revolving credit by the Federal Reserve Bank of New York.

In his budget speech the Chancellor of the Exchequer revealed that the British Treasury had succeeded in accumulating in dollar exchange the whole of the 166 million dollars required for the June and December payments on the American debt and for all other American debt obligations of the Treasury for 1925. These payments, therefore, will put no strain on the exchange for the first year of the gold standard. The Chancellor further announced that Australia, New Zealand and South Africa, as well as the Netherlands and the Dutch East Indies, would act simultaneously in regard to the introduction of the gold standard.

ASIA

Table 27. **BRITISH INDIA**

ACCOUNTS	June 1921	December 1921	June 1922
ASSETS.			
I. Metallic Reserve at home			
(*a*) Gold	343.6	136.1	339.7
(*b*) Silver and Token coins			
II. Other items of a Reserve or Cash Nature			
III. Assets in and Claims on Foreign Countries	1.5	0.7	0.5
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	1.5	0.7	0.5
IV. Commercial Bills	131.3	99.5	45.5
(*a*) Inland	131.2	99.4	45.4
(*b*) Foreign	0.1	0.1	0.1
V. Securities and Investments	165.3	124.6	90.0
(*a*) Government	151.8	111.8	77.2
(*b*) Other	13.5	12.8	12.8
VI. Loans and Advances	365.3	439.5	404.7
(*a*) to the Government	—	—	—
(*b*) on Government securities	—	—	—
(*c*) Other	—	—	—
VII. Sundries (including Premises, etc.)	23.8	28.0	27.1
VIII. Total Assets	**1,030.8**	**828.4**	**907.5**
LIABILITIES.			
IX. Capital	54.8	56.2	56.2
X. Reserve Funds	37.1	40.2	41.2
XI. Profit and Loss and Dividends Accounts	—	—	—
XII. Notes in circulation	—	—	—
XIII. Post Bills, Cheques, etc., in circulation	—	—	—
XIV. Current Accounts	923.6	725.8	800.9
(*a*) Government	222.0	68.0	167.3
(*b*) Other	701.6	657.8	633.6
XV. Other Deposits	5.5	4.0	5.0
(*a*) Government	—	—	—
(*b*) Other	5.5	4.0	5.0
XVI. Sundries	9.8	2.2	4.2
XVII. Total Liabilities	**1,030.8**	**828.4**	**907.5**

BRITISH INDIA

Table 27.

IMPERIAL BANK OF INDIA

osition in Rupees (000,000's omitted) at the end of

December 1922	June 1923	December 1923	March 1924	June 1924	September 1924	December 1924
150.8	291.5	150.1	182.7	216.4	284.3	178.9
0.3	7.5	4.8	15.7	15.3	12.3	5.9
—	—	—	—	—	—	—
0.3	7.5	4.8	15.7	15.3	12.3	5.9
62.1	53.3	114.5	153.9	60.0	57.8	104.6
61.9	53.1	114.4	152.4	57.6	56.1	102.3
0.2	0.2	0.1	1.5	2.4	1.7	2.3
97.9	92.7	121.8	118.2	117.5	167.8	163.7
85.3	80.3	108.9	105.9	105.3	155.6	151.5
12.6	12.4	12.9	12.3	12.2	12.2	12.2
483.0	462.7	592.6	702.8	632.4	538.0	472.8
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
27.8	27.5	28 4	30.8	38.0	30.7	37.0
821.9	**935.2**	**1,012.2**	**1,204.1**	**1,079.6**	**1,090.9**	**962.9**
56.3	56.3	56.3	56.3	56 3	56.3	56.3
42.2	43.5	44.5	44.5	44.5	45.7	45.7
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
711.6	830.4	827.6	972.3	955.6	978.1	820.7
141.6	125.6	85 7	260.2	214.3	242.3	97.8
570.0	704 8	741.9	712.1	741.3	735.8	722.9
8.9	—	80.0	120.0	—	—	20.0
—	—	80.0	120.0	—	—	20.0
8.9	—	—	—	—	—	—
2.9	5.0	3 8	11.0	23.2	10.8	20.2
821.9	**935 2**	**1,012.2**	**1,204.1**	**1,079.6**	**1,090.9**	**962.9**

BRITISH INDIA

Notes.

Imperial Bank of India:

The Imperial Bank of India was established at the end of 1920 by amalgamation of the three former Presidency Banks and started its operations early in 1921. It is a joint-stock company under Government control. The constitution provides for a Central Board of Governors with local boards at Calcutta, Bombay and Madras, and at such other places as the expansion of business may demand. The local boards are elected by the shareholders on the local registers and enjoy a certain autonomy. The first local boards were formed from the boards of directors of the Presidency Banks. The Central Board consists of: (*a*) the presidents and vice presidents of the local boards in Calcutta, Bombay and Madras; (*b*) two managing governors appointed by the Governor-General "after consideration of the recommendation of the Central Board", who hold office for such period as the Governor-General may direct; (*c*) not more than four other voting members, nominated by the Governor-General, who must not be officers of Government; (*d*) the Controller of the Currency or "such other officer of Government as may be nominated by the Governor-General"; (*e*) the secretaries of the local boards in Calcutta, Bombay and Madras; and (*f*) such number of persons to represent any additional local board established under the Bank Act as the Central Board may prescribe. The governors mentioned under (*d*), (*e*) and (*f*) may attend all meetings of the Central Board and take part in its deliberations but are not entitled to vote.

All the general banking business of the Government of India is carried out by the Imperial Bank, which holds the Treasury balances at its headquarters (Calcutta, Bombay and Madras) and at its branches. The old independent Treasury reserve system is thus abolished and the Government reserves centralised. Moreover, the Bank administers the public debt. It may transfer its funds through the Government Currency Department free of charge. In return, it is to transfer money between its branches for the public at rates controlled by the Government.

To what extent the Imperial Bank, apart from its functions as Government bank, acts as a real central bank is not disclosed in its published statements. Although it performs certain of the functions of a banker's bank, especially in relation to the native joint-stock banks, it mainly conducts ordinary commercial banking business at its numerous provincial branches. The idea of transferring the Indian note issue from the Treasury to the Bank, once contemplated, has been abandoned, and the Bank has not the right of issuing notes, though, since 1923, as mentioned below, certain issues are made through its intermediary.

Note circulation and metallic reserves:

The currency system applied in India up to September 1920 was that introduced in 1893, when the Government closed the Indian mints to free coinage of both gold and silver and retained as an exclusive Government prerogative the power of coining silver rupees as well as that of issuing notes. The British sovereign and half-sovereign were made legal tender in addition to the rupee, but in practice almost only the rupee was used for internal circulation. A gold exchange standard was adopted and the public was given the legal right to demand rupees in exchange for gold at the rate of 1s. 4d. to the rupee, or 15 rupees to the pound sterling, to any amount. The Government maintained this rate by the sale of "Councils" and "Reverse councils" on London. (Councils are drafts on India, drawn in rupees, and sold for pounds in London by authority of the Secretary of State for India. Reserve councils are drafts on London, drawn in sterling, and sold for rupees by the Government of India.)

So long as the price of silver was below 43d. per standard ounce, *i.e.*, the price at which the bullion value of the rupee equals 1s. 4d., the system was not affected by its variations. This was the case from 1893 to 1916. For the purpose of preventing a fall in the exchange value of the rupee a special reserve, the so-called *Gold Standard Reserve*, was established in 1900 and was used to meet the reverse councils mentioned above. This reserve, which does not serve as cover for the note circulation, is formed from the profit

on the coinage of rupees and the interest upon the securities in which it is invested. Before the war and up to 1917, it was composed of a certain quantity of gold [not included in Table IV (Vol. I)] and silver held partly in London and partly in India as well as "cash at short notice in England" and "loan and book credits in India" in addition to these securities. Since the end of 1917 the whole of the reserve has been held in England and since 1920 it has consisted almost exclusively of British Government securities.

The unusually large export surplus during the war led to an increased demand for silver, gold not being available to settle the balance, and as a result the price of silver and the bullion value of the rupee rose in 1916 above the afore-mentioned ratio to gold and the pound sterling. On account of the continued rise in the price of silver, the official rate of exchange had to be increased from time to time in the years 1917-1919. But as the legal parity remained unchanged, large quantities of rupees were withheld by the public and melted down into bullion, although the export of silver coin and bullion, except under licence, was prohibited on September 3rd, 1917. A Committee was appointed to study the question of currency reform and, in conformity with its recommendations, the legal parity was raised in September 1920 from 15 to 10 rupees to one pound sterling, thereby giving the rupee a legal value of 2s. The purchase price for gold had been fixed in the beginning of that year at 1 rupee = 11.30016 grains fine gold, whilst the value of the gold rupee according to the old rate was that of 7.53344 grains fine gold. Soon afterwards, however, the price of silver began to fall, and after the Government abandoned its efforts to support the exchange, the new parity became in practice ineffective. Since then and up to the middle of 1924 the rate again fluctuated around the old legal rate of 1s. 4d., but has since then risen to about 1s. 6d. towards the end of 1924 and in the beginning of 1925. With the re-adoption of a gold standard in the United Kingdom at the end of April 1925, conditions have become favourable to an effective stabilisation of the exchange on the basis of gold.

The silver rupees still constitute the major portion of the monetary circulation in India. It is believed that at the beginning of the war there were about three times as many silver rupees as notes in circulation, whereas, in 1919, the coins probably exceeded the notes by not more than between 50% and 60%, percentages which were further reduced up to the end of 1923. The notes are issued by a special Currency Department of the Treasury and are covered by the *Paper Currency Reserve*. The cover for the gross circulation shown in Table III (Vol. I) has been as follows:

Rupees (000,000's omitted)

End of	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924
A. *Metallic Reserve:*											
Gold coin and bullion:											
In India	93.1	127.5	119.2	267.3	196.8	296.1[1]	238.9[1]	243.2	243.2	223.2	223.2
Abroad	76.5	61.5	119.2	10.4	1.2	101.–[1]	—	—	—	—	—
Total gold	169.6	189.–	238.4	277.7	198.–	397.1[1]	238.9[1]	243.2	243.2	223.2	223.2
Silver coin	298.7	294.4	143.9	182.7	105.6	296.4	571.3	697.6	820.3	809.7	742.–
Silver bullion	—	—	29.8	7.9	215.7[2]	140.3	39.6	42.–	45.6	56.4	65.6
Total metallic reserve	468.3	483.4	412.1	468.3	519.3	833.8	849.8	982.8	1,109.1	1,089.3	1,030.8
B. *Securities:*											
In India	100.–	100.–	100.–	100.–	126.6	160.8	680.7	684.–	574.2	574.8	571.3
In England	40.–	40.–	309.6	514.8	825.–	834.5[1]	83.5[1]	58.5	58.5	90.–	170.0
Total securities	140.–	140.–	409.6	614.8	951.6	995.3	764.2	742.5	632.7	664.8	741.3
C. *Commercial bills*	—	—	—	—	—	—	—	—	—	80.–	20.–
Total cover (A+B+C) and gross circulation	608.3	623.4	821.7	1,083.1	1,470.9	1,829.1	1,614.–	1,725.3	1,741.8	1,834.1	1,792.1

Up to the outbreak of war the notes were freely redeemable in gold and in silver rupees but on August 5th, 1914, on account of heavy demands for gold in exchange for notes, the gold redemption was postponed and has since not been re-introduced. The free convertibility of the notes in silver rupees, however, has been maintained throughout the period under review, the Government being able in the critical years 1918-1920 to meet the demand for rupees by acquisition of silver from the United States [1] under the Pittman Act (see Notes on U.S.A.) and by a system of rationing.

[1] Up to 1919 gold and securities in England were valued at the rate of 15 rupees per £, whilst from 1920 onward at the rate of 10 rupees per £.

[2] In April 1918 the Currency Department was authorised to consider silver held in U.S.A. or in transit therefrom as forming part of the silver in the Paper Currency Reserve.

Prior to the war the fiduciary note issue was limited to the 140 million rupees [1] backed by the Government securities shown under B in the above statement, the circulation in excess of that limit to be covered to the extent of 100% in gold or in silver rupees. During the war the demand for notes increased, mainly as a result of the disappearance of silver rupees from the effective circulation. The legal limit of the fiduciary issue has therefore been modified from time to time since the end of 1915 and stood in 1919 at 1,120 million rupees, whereof 200 millions against Indian Government securities and the remainder against British Government securities. In conformity with certain recommendations of the above-mentioned exchange and currency committee, the provisions governing the note issue were partly revised in 1920 and have been further amended in 1923, 1924 and 1925.

Under the new regulations at least 50% of the gross circulation must be covered by a metallic reserve which may be held partly in the United Kingdom and the Dominions. Of the gold serving as cover for the notes, however, not more than 50 million rupees may be held in the United Kingdom. Since 1920 no gold or silver has been held abroad for any considerable period. The maximum limit of the fiduciary issue against British and Indian Government securities was first reduced to 850 million rupees, but later (in January 1925) raised to 1,000 million rupees, and the limitation of the Indian securities within the maximum was abolished. The securities are mainly Treasury bills.

With a view to providing an element of elasticity in making additional currency available at times of seasonal demand, and automatically withdrawing it when the demand ceases, the Paper Currency Act empowers the Governor-General to authorise the issue of currency notes against inland bills of exchange maturing within 90 days. These bills are supplied from the bill holdings of the Imperial Bank, the notes issued against them being advanced to the bank with the object of increasing its cash resources when they tend to fall short on account of an intensification of the trade demand for currency. As this additional currency returns to the bank, it is withdrawn and does not become a permanent addition to the circulation. The provision that one half of the notes in circulation must be covered by gold and silver applies only to the ordinary circulation and not to this additional circulation, the cover of which is shown as the last item in the statement above. The maximum limit of these additional issues was at first fixed at 50 million rupees, and was later extended to 120 million rupees. This right of additional note issue may be made use of only when certain specified discount rates are applied by the Imperial Bank.

It will be noted that the amount of silver rupees in the Paper Currency Reserve, which showed an almost uninterrupted increase from 1919 up to the last quarter of 1923, has since then undergone a reduction. Quarterly figures for the years 1920-1924 are given below.

	Rupees (000,000's omitted)				
End of	1920	1921	1922	1923	1924
March	332	614	730	825	742
June	419	669	762	814	725
September	543	746	851	927	792
December	571	698	820	810	742

After the abolition of the Reserve Treasury system in 1923, some of its functions having been assumed by the branches of the Imperial Bank, the distinction between the gross and net issue as given in Table III (Vol. I) has disappeared, but a considerable portion of the notes issued is included in the Cash reserve of the Imperial Bank.

Cash reserve and foreign assets of the Imperial Bank:

The combined sums of items I and II in Table 27 above are shown as "Cash" in the balance-sheets of the Bank. The Imperial Bank is authorised to buy and sell gold and silver whether coined or uncoined. As it does not issue notes, however, a metallic reserve is only of a secondary importance for its operations. The Bank did not hold any bullion on the dates given in the table, and the coin holdings are not specified in the returns. The portion of coins included, however, is known to be comparatively small, the item consisting mainly of Indian notes.

The Bank does not show separately in its balance-sheets any gold deposits abroad. The sums given under III (*b*) in Table 27 represent "Cash and balances at other banks in London". This item is given in pounds sterling in special statements annexed to the balance-sheets, with the remark that it is included

[1] 14 "crores" of rupees.

in the balance-sheet proper. The value in rupees is not shown in these statements but has been calculated for the purpose of the table according to the current rate of exchange.

In addition, part of the advances in group VI of the table were outstanding in London. Converted into rupees at current rate of exchange, the advances in London represented:

End of	June	1921	5.9	million	rupees.
»	December	»	5.1	»	»
»	June	1922	5.4	»	»
»	December	»	10.9	»	»
»	June	1923	3.6	»	»
»	December	»	6.–	»	»
»	March	1924	6.2	»	»
»	June	»	6.2	»	»
»	September	»	6.3	»	»
»	December	»	11.–	»	»

(For further details concerning the loans and the deposits of the Imperial Bank, see *Memorandum on Central Banks* 1913 *and* 1918-1923, pages 113-115.)

Table 28. **DUTCH EAST INDIES.**

ACCOUNTS	THE Position in March 1914	March 1919	March 1920
ASSETS.			
I. Metallic Reserve at home	54.1	138.9	189.5
(*a*) Gold	24.9	128.5	184.9
(*b*) Silver and Token coins	29.2	10.4	4.6
II. Other items of a Reserve or Cash nature	—	0.2	0.2
III. Assets in and Claims on Foreign Countries	4.7	8.0	32.6
(*a*) Gold Deposits abroad	—	—	—
(*b*) Book Balances and Credits abroad	4.7	8.0	32.6
IV. Commercial Bills	15.9	27.2	26.3
(*a*) Inland	4.1	6.8	13.1
(*b*) Foreign	11.8	20.4	13.2
V. Securities and Investments	8.7	7.6	7.7
(*a*) Government	—	—	—
(*b*) Other	—	—	—
VI. Loans and Advances	48.7	172.0	184.3
(*a*) to the Government	10.2	87.4	31.3
(*b*) on Government securities	38.5	84.6	82.3
(*c*) Other			70.7
VII. Sundries (including Premises, etc.)	3.2	3.6	4.1
VIII. Total Assets	**135.3**	**357.5**	**444.7**
LIABILITIES.			
IX. Capital	6.0	6.0	6.0
X. Reserve Funds	3.0	3.2	3.0
XI. Profit and Loss and Dividends Accounts	2.5	4.4	5.5
XII. Notes in circulation	112.0	214.3	320.8
XIII. Post Bills, Cheques, etc., in circulation	1.4	4.8	9.6
XIV. Current Accounts	9.7	123.2	97.9
(*a*) Government	—	—	—
(*b*) Other	9.7	123.2	97.9
XV. Other Deposits	0.2	0.6	0.8
(*a*) Government	—	—	—
(*b*) Other	0.2	0.6	0.8
XVI. Sundries (including Pension Funds)	0.5	1.0	1.1
XVII. Total Liabilities	**135.3**	**357.5**	**444.7**

DUTCH EAST INDIES

Table 28.

JAVA BANK

Gulden (000,000's omitted) at the end of

March 1921	March 1922	March 1923	March 1924	June 1924	Sept. 1924	Dec. 1924	March 1925
237.7	195.5	222.9	224.0	206.4	211.2	186.5	185.2
225.6	154.7	161.3	158.8	141.2	149.9	133.7	133.9
12.1	40.8	61.6	65.2	65.2	61.3	52.8	51.3
0.2	0.1	—	—				
20.9	19.2	33.2	12.2				
—	—	—	—				
20.9	19.2	33.2	12.2				
54.2	51.6	63.8	50.3	56.0	56.2	48.8	39.4
31.2	29.4	31.4	33.0	35.2	37.6	32.4	21.4
23.0	22.2	32.4	17.3	20.8	18.6	16.4	18.0
7.6	9.3	10.4	12.4				
—	—	—	—				
—	—	—	—				
173.9	111.1	80.5	79.2	65.8	99.1	73.8	51.3
62.7	18.0	17.9	17.9	5.2	9.1	—	2.7
55.7	30.8	21.9	18.8	60.6	90.0	73.8	48.6
55.5	62.3	40.7	42.5				
4.7	12.3	7.8	8.6	17.3	32.0	76.9	62.1
499.2	**399.1**	**418.6**	**386.7**				
6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
3.8	4.8	6.2	7.5	7.5	7.5	7.5	7.5
6.6	27.5	26.2	27.3				
328.8	267.5	269.4	263.9	253.2	264.6	276.8	271.2
3.4	3.4	3.3	1.6				
148.3	86.9	104.6	77.4	71.2	116.7	99.9	55.9
—	—	—	—				
148.3	86.9	104.6	77.4				
1.0	1.3	1.3	1.3				
—	—	—	—	—	—	9.8	—
1.0	1.3	1.3	1.3				
1.3	1.7	1.6	1.7				
499.2	**399.1**	**418.6**	**386.7**				

DUTCH EAST INDIES.

Notes.

Whereas Tables III and V (Vol. I) refer to the end of calendar years, Table 28 above refers fo the end of March of each year, on which date the financial year of the Central Bank is closed. Complete weekly returns not being available, figures for the main items only are given in the quarterly statements for 1923 in Table 28. Table V (Vol. I) likewise refers to the end of March ofeach year, as the Central Bank's foreign assets are shown separately only in the annual reports.

Metallic reserve and note circulation:

The Java Bank has always kept a considerable portion of its metallic reserve with the Netherlands Bank, in order to facilitate the regulation of the rate of exchange on Amsterdam. For similar purposes, another considerable portion of the gold reserve in recent years has been held in New York. A great part of that gold which the Bank, on account of the contraction in its demand liabilities, did not consider it necessary to keep was, however, sold during the financial year 1921-1922 [1]. The metallic reserves deposited abroad are not shown separately in the report of the Bank.

Silver is legally considered as equivalent to gold in serving as cover for notes. The Java Bank's resreves of "silver legal tender" and subsidiary coins on the various dates given in Table IV (Vol I) were as follows:

Gulden (000,000's omitted)

End of		*End of*		
		March	1922	38
1913	28	June	»	48
1914	26	Sept.	»	54
1915	32	Dec.	»	56
1916	23	March	1923	60
1917	17	June	»	61
1918	14	Sept.	»	61
1919	3	Dec.	»	62
1920	7	March	1924	64
1921	29	June	»	65
		Sept.	»	61
		Dec.	»	53
		March	1925	51

The striking reduction which took place between 1915 and 1920 was due to the rise of the prise of silver above its currency value and the consequent disappearance of coins from circulation At the end of 1919, therefore, the Government started the issue of currency notes of small denominations (fl. 0.50, fl. 1 and fl. 2.50). These are the State notes shown in Table III (Vol. I). They have no specific cover and are shown in the budget as part of the State's floating debt. It was also decided by the Dutch Emergency Coinage Act of 1919, to reduce the silver contents of the coins from 945 thousandths to 720 thousandths. As a result of the rapid fall in the silver price in 1920 continued in 1921 and 1922, silver coins again began to flow into the Bank. According to the report for 1920-1921, these coins "were only reissued when absolutely necessary; the object of this policy being to melt down as much as possible of this coinage" with a view to reminting it in Holland under the Emergency Coinage Act. No such coins were put into circulation in Holland, but "by way of experiment" a certain quantity was issued in the Dutch East Indies in 1922. These new coins, with a content of 720 thousandths of silver, however, are not approved of by the native population, who prefer the old coins and currency notes. As a result, most of the new coins find their way to the Java Bank.

[1] The yield of these sales was considered by the Bank as a net profit and the directors proposed a dividend of 166 per cent. This dividend, however, was not approved by the Government and only part of the profits was distributed or otherwise disposed of, so that a sum of 20.9 million gulden has been carried forward to the balances for the financial years 1922–23 and 1923–24. The net profits of those years as shown in the balance sheets amounted to 5.2 and 6.5 million gulden respectively.

In 1920 a commission was set up to report on a proposal to separate the currency of the East Indies wholly from that of the Netherlands. The report of this commission had not appeared at the end of 1924; but in view of the partial abolition, on April 29th, 1925, of the prohibition to export gold from the Dutch East Indies as well as from the Netherlands, whereby the pre-war standard has been reintroduced both in the colony and the mother-country, the question would appear not to be of practical importance.

The legal conditions concerning the metallic cover for all liabilities payable on demand are the same for the Java Bank as for the Netherlands Bank. Thus, up to the outbreak of the Great War, the Bank had to keep a metallic reserve of at least 40% of its note circulation and other demand liabilities, *i.e.*, drafts payable and deposits in current account (groups XII, XIII and XIV of Table 28). In August 1914, this legal minimum limit was reduced to 20%. But, in point of fact, the Bank never allowed the ratio of its metallic reserve to its demand liabilities to fall below 40%. (For details on the reintroduction of the gold standard, see notes on the Netherlands.)

Securities, discounts, loans and advances of the Central Bank:

The securities shown in Group V of Table 28 represent investments of capital and reserve fund. The character of these securities is not indicated in the Bank's reports. The advances to the Government shown in Group VI (*a*) of the table were composed as follows:

Gulden (000,000's omitted).

End of March	1914	1919	1920	1921	1922	1923	1924
Treasury bills and Government auction promissory notes discounted	1.5	1.6	4.1	5.2	6.8	5.6	2.3
Advances to the Government free of interest	8.7	85.8	27.2	57.5	11.2	12.3	15.6
Total	10.2	87.4	31.3	62.7	18.–	17.9	17.9

The Bank is allowed to make advances free of interest to the Government only as long as its metallic reserve in excess of the legal minimum cover for the demand liabilities is not less than 10 million gulden.

The discounts of Treasury bills, etc., are not shown separately in the weekly returns available. The figures under VI (*a*) in the quarterly statements for 1924, therefore, represent advances free of interest only, whereas the Treasury bills are included in the discounts shown under IV (*a*). These figures, moreover, include municipal and provincial promissory notes shown separately since 1921, but only in the annual reports, as follows:

Gulden (000,000's omitted).

End of March	1921	1922	1923	1924
Commercial bills	12.4	12.–	12.8	13.4
Municipal and provincial promissory notes	18.8	17.4	18.6	19.6
Total	31.2	29.4	31.4	33.-

Table 29 **JAPAN**

ACCOUNTS	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	225.6	716.7	953.3
(*a*) Gold	225.1	716.7	953.3
(*b*) Silver and Token coins	0.5	—	—
II. Other items of a Reserve or Cash nature	—	—	—
III. Assets in and Claims on Foreign Countries	152.0	801.2	969.5
(*a*) Gold Deposits abroad	—	—	—
(*b*) Bank Balances and Credits abroad	152.0	801.2	969.5
IV. Commercial Bills	72.6	129.9	355.5
(*a*) Inland	—	—	—
(*b*) Foreign	—	—	—
V. Securities and Investments	77.5	54.0	99.0
(*a*) Government	77.5	54.0	99.0
(*b*) Other	—	—	—
VI. Loans and Advances	120.4	520.4	448.1
(*a*) to the Government	34.8	29.2	34.0
(*b*) on Government securities (*c*) Other	85.6	491.2	414.1
VII. Sundries (including Premises, etc.)	3.2	4.4	3.8
VIII. Total Assets	**651.3**	**2,226.6**	**2,829.2**
LIABILITIES.			
IX. Capital	37.5	37.5	37.5
X. Reserve Funds, etc.	28.3	33.3	34.8
XI. Profit and Loss and Divid. Accounts, etc.	5.0	4.7	5.6
XII. Notes in circulation	426.4	1,144.7	1,555.1
XIII. Post Bills, Cheques, etc., in circulation	0.1	—	—
XIV. Current Accounts	122.7	976.5	1,184.7
(*a*) Government	118.0	939.7	1,144.6
(*b*) Other	4.7	36.8	40.1
XV. Other Deposits	0.5	16.1	1.2
(*a*) Government	0.3	4.7	1.2
(*b*) Other	0.2	11.4	—
XVI. Sundries	30.8	13.8	10.3
XVII. Total Liabilities	**651.3**	**2,226.6**	**2,829.2**

BANK OF JAPAN

Position in Yen (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	December 1924
1,248.3	1,247.0	1,096.2	1,114.5	1,108.6	1,113.5	1,118.8	1,108.7
1,248.3	1,247.0	1,065.3	1,058.8	1,058.3	1,060.2	1,063.2	1,059.0
—	—	30.9	55.7	50.3	53.3	55.6	49.7
—	—	57.5	122.5	136.7	133.7	129.0	134.7
756.0	678.5	259.7	221.3	277.8	297.3	377.6	258.5
—	—	—	—	—	—	—	—
756.0	678.5	259.7	221.3	277.8	297.3	377.6	258.5
155.3	296.3	342.4	627.3	454.2	387.4	251.1	463.5
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
214.1	213.9	333.4	266.7	293.7	333.3	252.3	260.6
130.7	124.0	191.6	261.2	—	—	—	—
83.4	89.9	141.8	5.5	—	—	—	—
185.0	174.9	313.8	407.4	342.1	286.8	254.1	372.4
56.3	64.2	14.3	20.2	21.9	34.4	33.1	23.8
128.7	110.7	299.5	387.2	320.2	252.4	221.0	348.6
21.5	8.9	5.4	4.7	3.9	10.1	3.7	5.7
2,580.2	**2,619.5**	**2,408.4**	**2,764.4**	**2,617.0**	**2,562.1**	**2,386.6**	**2,604.1**
37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5
38.8	44.4	51.3	59.4	91.2	101.0	93.8	102.0
7.9	8.6	10.0	9.3				
1,439.2	1,546.5	1,558.4	1,703.6	1,319.3	1,364.1	1,239.3	1,561.4
0.2	3.1	2.8	8.5	—	—	—	—
1,014.5	969.0	740.5	913.7	1,168.8	1,059.4	1,011.2	903.0
964.5	933.6	669.5	860.4	1,094.7	964.1	935.1	812.2
50.0	35.4	71.0	53.3	74.1	95.3	76.1	90.8
36.3	4.5	1.3	1.3	—	—	—	—
16.3	4.5	1.3	1.3	—	—	—	—
20.0	—	—	—	—	—	—	—
5.8	5.9	6.6	31.1	0.2	0.1	4.8	0.2
2,580.2	**2,619.5**	**2,408.4**	**2,764.4**	**2,617.0**	**2,562.1**	**2,386.6**	**2,604.1**

JAPAN

Notes.

Metallic and foreign exchange reserves:

The gold shown in the first part of the statement in Table IV (Vol. I) is that against which notes have actually been issued, the gold reserves in excess of these sums not being considered as cover for the note circulation. The Government gold shown in the second line is deposited in trust of the Bank of Japan as a 100 % "Redemption fund" for the token notes issued by the Treasury[1]. The gold figures given under I (*a*) in Table 29 above include small amounts of gold till money, not entered in the reserve account, which explains the discrepancies between these figures and those shown in the first part of the statement in Table IV (Vol. I). In the weekly balance sheets and in the quarterly statements of Table 29 only the "reserve gold" is given.

The gold reserve against the Bank of Japan notes included gold abroad, up to July 1922, when a new regulation was introduced under which only gold held at home is to be included in the reserve. The practice of allowing the issue of notes against foreign gold deposits thus abolished was originally introduced in 1897 when the gold indemnity received from China in consequence of the Sino-Japanese War was left in London. This practice was further confirmed when the proceeds of certain loans raised in connection with the Russo-Japanese War were left in the form of gold deposits in London to be drawn against for payments abroad. As the banknotes *de facto* were not freely redeemable in gold at home, a gold-exchange standard had thus been established.

The note issue against foreign gold deposits assumed important proportions during the war when the trade balance turned in favour of Japan, and the greater part of the gold received in settlement of the balance could not be imported — 1917-1919 — chiefly on account of the restriction of gold exports from America. Subsequently, after the United States embargo was raised, a considerable portion of the gold abroad was taken home, mainly in 1920, as shown in the second part of the statement in Table IV (Vol. I). The remainder consisted in fact largely of foreign securities not shown separately in the published statements. By that time the trade balance had again turned against Japan and has since remained passive, the surplus imports having in part been paid out of these foreign holdings of gold and securities, which mainly accounts for their reduction since 1920. The statements of the Finance Department do not show the Government's foreign holdings separately from those of the Bank, but it is known that the greater part belongs to the Government.

On December 31st, 1922, and all subsequent dates given in Table 29, the whole of the Bank's foreign gold deposits are included in the "Foreign agencies accounts" shown under III (*b*) in the table. The foreign bill holdings of the Bank are not shown separately in the returns, and the foreign government securities (British Treasury bills and National War Bonds and United States certificates of indebtedness and Treasury notes), constituting the whole of the sums given under V (*b*) in the table, are shown separately only in the annual reports of the Bank. It may be observed that the total of the Bank's foreign assets fell from 840 to 227 million yen between the end of 1920 and 1923.

Gold exports have been prohibited since September 12th, 1917. As shown in Table I (Vol. I), the yen was still at a premium compared with the dollar in 1920. In subsequent years the rate was maintained close to parity by sales from the gold holdings abroad and the other foreign assets of the Government and the Bank as explained above, but by the end of 1923 this method of supporting the exchange was abandoned, and towards the end of 1924 the yen was at a discount of 30 % as compared with the dollar. With a view to checking a further fall of the exchange and in order to stop the illicit export of gold, to discourage the consumption of gold in the manufacture of jewellery and to encourage the domestic gold

[1] This Redemption fund is shown as transitory item on both sides of the balance sheets of the Bank but has been excluded from Table 29 above.

production, the Bank of Japan and the Yokohama Specie Bank were authorised on December 1st of that year to buy and sell gold bullion at the current exchange rate. But gold exports are still prohibited except under licence.

Investments, discounts, loans and advances of the Bank of Japan:

The Government securities in group V (*a*) of Table 29 include a statutory advance to the Government of 22 million yen; the remainder consists of bonds, bills and notes of the Japan Government. The sums shown under VI (*a*) in the table represent, since the end of December 1922, temporary advances to the Government.

The bill portfolio in group IV of the table included on December 31st, 1923, 133.5 million yen of "emergency bills", which represent special credits granted by the Bank on account of the earthquake which took place in September that year. According to the Imperial Ordinance No. 424 (1923), the Government is to indemnify the Bank up to 100 million yen for any loss that might be incurred by it on these credits.

The advances shown under VI (*b*) in the table consist mainly of advances on foreign bills.

Note circulation:

According to the banking law, the Bank of Japan may issue banknotes against equal amounts of gold and silver coin and bullion without any limitation, provided that the portion of silver does not exceed one-fourth of the metallic cover, and against Japan Government security and commercial bills and other securities of a reliable nature up to an amount of 120 million yen. Additional issues may be made on approval of the Minister of Finance against such securities in excess of that limit, subject to a tax on the excess issue at the rate of not less than 5 per cent per annum, the actual rate being fixed on each occasion by the Minister of Finance. On April 15th, 1925, this tax was fixed at 6 % after having remained at 7 % for a certain period.

The notes outstanding on the various dates given in Table 29 were covered as follows:

Yen (000,000's omitted)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Notes in circulation	426.4	1,144.7	1,555.1	1,439.2	1,546.5	1,558.4	1,703.6	1,249.8	1,285.–	1,187.6	1,440.9
Covering assets:											
Gold coin and bullion	224.4	712.9	952.–	1,246.7	1,245.6	1,063.9	1,057.5	1,058.3	1,060.2	1,063.2	1,059.–
Japan Government securities	61.7	431.8	70.5	92.–	69.4	36.3	148.5	69.2	87.9	38.4	115.3
"Other securities"	92.8		252.2	43.6	62.1	212.–	205.6	58.5	74.6	55.8	143.6
Commercial bills and notes	47.5		280.4	56.9	169.4	246.2	292.–	63.8	62.3	30.2	123.–
Total cover	426.4	1,144.7	1,555.1	1,439.2	1,546.5	1,558.4	1,703.6	1,249.8	1,285.–	1,187.6	1,440.9

The "other securities" as above would appear to represent, mainly, the foreign bills pledged as security for advances as mentioned above, and may include in addition part of the balances with foreign banks (group III (*b*) of Table 29) and of the foreign Government securities (group V (*b*) of the table). The figures given for 1924 in the above statement represent averages for the last week of each quarter.

The notes of the Bank of Japan became formally convertible into gold when Japan, after having been partially on a silver basis, adopted the gold standard in 1897. In practice, however, the notes have never been freely redeemable in gold, as even before the war the Bank delivered gold only at its own option. The formal obligation to exchange gold for notes is still in force.

It has been stated in Parliament that a considerable quantity of banknotes were destroyed in connection with the earthquake in September 1923, but there are no reliable statements available as to the actual sums thus destroyed. It is obvious, however, that since that date the effective circulation is less than that shown above and in Table III (Vol. I).

In 1917, in order to make up the deficiency of subsidiary silver coins caused by the war, the Government started the issue of paper money of small denominations (fractions of one yen) shown in Table III (Vol. I). Although inconvertible, these notes have always been covered to 100 per cent by a special gold reserve deposited in custody of the Bank of Japan, given separately in Table IV (Vol. I). Notes are in addition issued by the Bank of Chosen for circulation in Chosen (Korea) the Kwantung Province and in the zone of the South Manchurian Railway, and by the Bank of Taiwan (Formosa). The following table shows the net circulation of the Bank of Japan (the amount held as reserve by the Bank of Chosen deducted), as well as the circulation of the Banks of Chosen and Taiwan:

Yen (ooo's omitted)

Annual average (*a*) Dec. 31st of each year (*b*)	Bank of Japan	Chosen	Taiwan	Total
1913 (*a*)	359,501	21,309	16,067	396,877
(*b*)	420,903	25,693	18,785	465,381
1914 (*a*)	336,651	20,575	14,335	371,461
(*b*)	380,566	21,850	14,247	416,663
1915 (*a*)	331,327	24,534	14,211	370,072
(*b*)	420,775	34,387	17,611	472,773
1916 (*a*)	418,192	33,212	18,695	470,099
(*b*)	586,843	46,627	25,451	658,921
1917 (*a*)	583,484	46,077	27,359	656,920
(*b*)	795,594	67,364	33,512	896,470
1918 (*a*)	786,521	74,961	33,830	895,312
(*b*)	1,087,288	115,523	42,108	1,244,919
1919 (*a*)	1,043,082	115,656	41,601	1,200,339
(*b*)	1,515,459	163,600	49,653	1,728,712
1920 (*a*)	1,267,442	117,864	41,725	1,427,031
(*b*)	1,400,448	114,034	40,249	1,554,731
End of quarter				
1920				
March	1,328,498	154,698	48,969	1,532,165
June	1,321,264	108,239	43,449	1,472,952
September	1,143,380	96,271	36,626	1,276,277
December	1,400,448	114,034	40,249	1,554,731
1921				
March	1,142,788	106,955	38,004	1,287,747
June	1,191,782	98,608	36,270	1,326,660
September	1,195,631	109,716	36,338	1,341,685
December	1,520,571	136,361	40,864	1,697,796
1922				
March	1,272,325	114,043	35,000	1,421,368
June	1,325,297	95,024	33,999	1,454,320
September	1,219,392	87,811	29,744	1,336,947
December	1,537,590	100,545	34,244	1,672,379
1923				
March	1,222,953	90,131	31,592	1,344,676
June	1,352,346	89,103	35,171	1,476,620
September	1,444,409	74,618	32,928	1,551,955
December	1,676,000	110,233	39,702	1,825,935
1924				
March	1,324,772	91,121	33,685	1,449,578
June	1,367,523	83,471	37,717	1,488,711
September	1,293,332	83,044	40,524	1,416,900

PALESTINE.

After the occupation of Palestine by the Western Allies, notes of the National Bank of Egypt became gradually the main currency in that country. No official estimates of the quantity of such notes in circulation there are available, but it was generally believed in banking circles that they amounted at the end of 1921 to approximately £E.2 millions.

In January 1921, Egyptian gold, notes and nickel coin and the British gold sovereign were made legal tender (1 British sovereign = 97.5 Egyptian piastres).

In March 1924, the Government appointed a special committee to " consider and report upon the advisability of the introduction of a Palestine currency, the currency system to be adopted . . . and the steps to be taken to redeem the present currency and to prevent any undue circulation of foreign currency in Palestine".

It would appear to be intended that the new currency will, in any case, be issued in the form of coins and of Government currency notes and that these notes will be backed by British currency and securities.

SIAM.

The Gold Exchange Standard system of currency was officially established in Siam in 1908, although it has operated *de facto* since 1902, when the free coinage of silver was stopped.

By the Gold Standard Act of November 1908 the Government was authorised to issue silver and paper currency against gold deposits abroad at the fixed rate of 13 ticals to £1 sterling. A special reserve, called the "Gold Standard Reserve Fund", kept partly in Bangkok and partly in London, was built up in order to maintain this rate.

Owing to the large amount of coin in use, the figures of notes in circulation given in Table III do not represent the actual changes in the monetary circulation of the country.

The following statement shows the estimated metallic (*i.e.* silver, nickel and bronze) and the paper circulation at the end of March of each year:

	Ticals (000's *omitted*).		
End of March	Coins	Currency notes	Total
1914	86,735	28,708	115,443
1915	80,278	31,435	111,713
1916	84,119	40,081	124,200
1917	89,181	47,859	137,040
1918	97,392	59,665	157,057
1919	106,097	113,767	219,864
1920	106,914	108,597	215,511
1921	95,219	72,986	168,205
1922	80,237	83,995	164,232
1923	70,604	91,664	162,268
1924	67,505	115,603	183,108

The figures for coins in the above statement represent coins minted, less coins held in the Royal Treasury and the Paper Currency Department, no allowance being made for coins melted down or exported.

Owing to the rise of the price of silver in 1917, the melting value of the silver coinage had become greater than its currency value. In order to check the consequent disappearance of ticals from circulation, the Government took the following measures: (1) export of silver was forbidden in June 1917; (2) the fineness of the subsidiary silver coins of 2 and 1 salung (1 salung = 0.25 ticals) was reduced in July 1919 from 800/1000 to 650/1000 and the 2-salung pieces were made full legal tender; in January 1920 the fineness was again reduced to 500/1000; (3) by amendments to the Gold Standard Act, the rate of exchange was raised from time to time. Thus on September 4th, 1919, a new mint parity was established of 12 ticals to the pound and the Government issued silver currency against gold deposits abroad at the rate of 11.88. This latter rate was subsequently changed as follows:

Date	Exchange	Date	Exchange
October 4th, 1919 . . .	10.91	November 14th, 1919 . .	9.90
October 20th, 1919 . . .	10.89	November 26th, 1919 . .	9.14

(4) Whereas the amendment of October 1906 to the Paper Currency Act of 1902–3 provided for a reserve of 50 % of the notes in circulation, this percentage was reduced in August 1917 to 25, the remaining 75 % being held in the form of investments. In March 1918, the specie percentage was further reduced to 15 % and in December 1918 the Minister of Finance was authorised to hold the whole of the reserves against currency notes in investments. (5) On January 27th, 1919, currency notes were made

inconvertible. By successive Acts the inconvertibility was extended to January 27th, 1927.

On August 19th, 1920, the fineness of subsidiary coin was raised again to 650/1000 and on January 3rd, 1923, the 25 % specie cover of notes was re-established. At the same time the Government fixed its buying rate at 10.80 ticals to the pound, and its selling rate at 11.20.

The following were the average Government exchange rates for demand drafts on London for the years 1914 to 1924:

Average for year ended March 31st	*Ticals per £1*	Average for year ended March 31st	*Ticals per £1*
1914	13.11	1921	9.58
1915	13.04	1922	9.58
1916	13.02	1923	11.00
1917	13.02		
1918	13.02	1923: I	11.26
1919	13.02	II	11.26
1920	9.58	III	11.00

From April 1923 to the end of 1924 the rate was 10.91.

The position of the reserve fund of notes in circulation was' at the end of March of 1920 to 1924' as follows:

	Ticals (000's *omitted*). End of March				
	1920	1921	1922	1923	1924
Cash in legal tender silver coin	8,610	20,433	37,270	46,418	52,040
Silver bullion at Royal Mint	—	—	1,200	1,200	1,200
Treasury guarantee	—	4,182	8,118	11,070	11,076
Total silver	8,610	24,615	46,588	58,688	64,316
Investments on current accounts	64,372	14,224	16,875	11,663	29,003
Investments on fixed deposits	24,600	20,400	6,400	6,812	7,678
Investments in Government Bonds	11,015	13,747	14,133	14,501	14,613
Total investments	99,987	48,371	37,408	32,976	51,294

The assets in £s have been converted in the above statement into ticals at the rate of 12 ticals to the pound.

Table 30. **AUSTRALIA**

ACCOUNTS	December 1920	June 1921
ASSETS.		
I. Metallic Reserve at home		
(*a*) Gold	29,182	29,234
(*b*) Silver and Token coins		
II. Other items of a Reserve or Cash Nature		
III. Assets in and Claims on Foreign Countries	4,160	8,090
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	4,160	8,090
IV. Commercial Bills	4,830	7,174
(*a*) Inland	—	—
(*b*) Foreign	4,830	7,174
V. Securities and Investments	69,337	68,354
(*a*) Government	35,938	35,750
(*b*) Other	33,399	32,604
VI. Loans and Advances	20,805	18,658
(*a*) to the Government	—	—
(*b*) on Government securities	—	—
(*c*) Other	—	—
VII. Sundries (including Premises, etc.)	5,084	1,050
VIII. Total Assets	**133,398**	**132,560**
LIABILITIES.		
IX. Capital	—	—
X. Reserve Funds	3,048	3,452
XI. Profit and Loss and Dividends Accounts	—	—
XII. Notes in circulation	57,151	50,212
XIII. Post Bills, Cheques, etc., in circulation	6,483	7,985
XIV. Current Accounts	27,153	34,516
(*a*) Government	—	—
(*b*) Other	—	—
XV. Other Deposits	35,399	36,190
(*a*) Government	92	—
(*b*) Other	4,164	36,190
XVI. Sundries	35,307	205
XVII. Total Liabilities	**133,398**	**132,560**

AUSTRALIA

Table 30.

COMMONWEALTH BANK OF AUSTRALIA

Position in £'s (000's omitted) at the end of

December 1921	June 1922	December 1922	June 1923	December 1923	June 1924	December 1924
28,193	29,679	30,759	34,992	32,949	30,757	32,679
10,715	19,325	9,210	5,660	6,805	9,720	10,630
—	—	—	—	—	—	—
10,715	19,325	9,210	5,660	6,805	9,720	10,630
1,937	2,212	2,140	1,536	1,476	1,355	3,168
—	—	—	—	—	—	—
1,937	2,212	2,140	1,536	1,476	1,355	3,168
67,890	65,463	64,409	66,007	67,886	72,176	71,961
35,642	35,412	35,346	35,322	35,301	39,477	37,897
32,248	30,051	29,063	30,685	32,585	32,699	34,064
13,904	14,459	16,918	19,871	16,840	12,604	10,055
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
847	1,367	1,032	1,832	1,231	1,387	1,278
123,486	**132,505**	**124,468**	**129,898**	**127,187**	**127,999**	**129,771**
—	—	—	—	—	—	4,000
3,792	4,001	4,199	4,404	4,466	4,530	596
—	—	—	—	—	—	—
52,863	45,510	50,000	47,644	48,897	47,968	51,540
2,735	2,459	2,895	2,139	3,565	2,030	3,343
26,557	42,091	27,544	35,099	29,560	31,915	28,998
—	—	—	—	—	—	—
—	—	—	—	—	—	—
37,279	38,057	39,494	40,151	40,330	41,071	40,949
—	—	—	—	—	—	—
37,279	38,057	39,494	40,151	40,330	41,071	40,949
260	387	336	461	369	485	345
123,486	**132,505**	**124,468**	**129,898**	**127,187**	**127,999**	**129,771**

AUSTRALIA

Notes.

Reorganisation of the Commonwealth Bank of Australia:

The Commonwealth Bank was established under a special Act dated December 22nd, 1911, as a State institution managed by a Governor and a deputy-Governor appointed by the Governor-General of the Commonwealth. It had no basic capital, but the Commonwealth Government was and is still responsible for all monies due by the Bank. On the other hand, one-half of its net profits is credited to a special "Redemption Fund", which, though under the administration of the Bank, could be used in paying off Commonwealth debts or State debts taken over by the Commonwealth.

The Bank was not at first a bank of issue, the Issue Department of the Treasury established under the Australian Notes Act of 1910 maintaining the issue of Australian notes. In December 1920, however, the control of the Australian note issue was handed over to the Commonwealth Bank, a special Issue Department of the Bank being established for this purpose. This department, to which the assets and liabilities of the note-issuing department of the Treasury were transferred, was under the management of a board appointed by the Governor-General of the Commonwealth and included the Governor and Secretary of the Bank, a leading Treasury official, and two outside financial experts. It was provided that, in times of emergency, the note issue might be retransferred to the Treasury by proclamation of the Governor-General.

With a view to enabling the Commonwealth Bank to act as a proper central bank of note issue controlling the credit resources of the country and the economic policy of the other banks, the Government proposed in July 1924 an amendment to the Commonwealth Bank Act which was passed on August 20th and came into force on October 10th, 1924.

Under the new law the Bank is to be managed by a Board of Directors consisting of the Governor of the Bank, the Secretary to the Commonwealth Treasury and six other persons, who are or have been actively engaged in agriculture, commerce, finance or industry. All the members of the Board are to be appointed by the Governor-General of the Commonwealth for seven years. Re-appointment at the end of the term is permitted. In addition there is a London Board of Advice consisting of three members appointed by the Governor-General for four years and eligible for re-appointment. A director or officer of any banking business may not be a member of either Board. The special "Notes Board" is abolished and its functions are assumed by the Board of Directors.

The authorised capital of the Bank was originally fixed at one million pounds, and in 1914 authority was obtained from Parliament to increase it to £10 millions to be raised by the issue and sale of debentures, but no such issue has actually taken place. Under the new law the authorised capital is increased to £20 millions, including the above £10 millions which might be raised by issue of debentures. Of the additional £10 millions, £4 millions will be obtained by transfer of equal amounts from the "Reserve Fund" and the "Redemption Fund", each of which constitute one-half of the sums given under X in Table 30 above up to the end of 1923. These funds had been formed exclusively from the Bank's net profits from the banking business, of which, up to the second half-year 1923, one half was invariably paid into the "Reserve Fund" and the other half into the "Redemption Fund". The balance of these two funds after the above-mentioned transfer to the capital account forms the new reserve fund of the Bank (shown on December 31st, 1924, in Table 30 above), which for the future is to be credited with one half of the net profits from the banking business, the other half to be paid into the "National Debt Sinking Fund", a procedure already adopted in the second half-year 1923. The profits arising from the note issue will be paid as heretofore to the Commonwealth Treasury.

The remaining £6 millions of the additional £10 millions of authorised capital may be raised in the form of Commonwealth Government loans, on which the Bank is to pay interest at the "effective rate" payable by the Commonwealth.

In addition to the "General Bank" [1] and the Issue Department, there is a special department dealing exclusively with savings bank business. The Commonwealth Bank publishes complete balance-sheets only on June 30th and December 31st each year.

Metallic reserve — Gold policy:

The figures shown in Table 30 above were composed as follows:

£'s (000's omitted)

End of	Dec. 1920	June 1921	Dec. 1921	June 1922	Dec. 1922	June 1923	Dec. 1923	June 1924	Dec. 1924
Gold coin and bullion held in the Issue Department	23,715	23,863	23,320	23,534	23,939	24,444	24,882	24,441	24,905
Coin, bullion and cash balances held in the Banking Department	5,467	5,371	4,873	6,145	6,820	10,548	8,067	6,316	7,774
Total	29,182	29,234	28,193	29,679	30,759	34,992	32,949	30,757	32,679

The first item above represents the gold taken over from the Commonwealth Treasury in connection with the transfer of the note issue. There are no details available concerning the actual composition of the second item.

The following statement of the Australian rates on London shows that the British pound was at a discount compared with the Australian pound throughout 1924:

	Cost of British £	
	Buying	Selling
Up to 13.I.1924	1 1/4% discount	1/4% premium
14.I. – 21.II.	1 1/2 ,, ,,	1/2 ,, discount
22.II. – 9.III.	1 3/4 ,, ,,	3/4 ,, ,,
10.III. – 4.V.	2 ,, ,,	1 ,, ,,
5.V. – 4.IX.	2 1/2 ,, ,,	1 1/2 ,, ,,
5.IX. – 29.IX.	2 3/4 ,, ,,	1 3/4 ,, ,,
30.IX. – 13.X.	3 ,, ,,	2 ,, ,,
14.X. – end 1924	3 1/2 ,, ,,	2 1/2 ,, ,,

The Australian currency reached the gold parity in January 1925, and by the end of February the Government granted the Commonwealth Bank a general licence to export gold on condition that such exports did not result in reducing the stock of gold held by the Bank below its figure on January 1st, 1925 [2]. The question of a return to the gold standard without waiting for the initiative of the United Kingdom was then discussed. The Government and the Commonwealth Bank were in favour of such a step, whereas the commercial banks took up the position that it would not be in the interest of Australia to forestall the United Kingdom in the matter.

As a result of the action taken by the British Government towards the end of April, however, the position changed. Concurrently with the declaration made by the Chancellor of the Exchequer in his budget speech on April 28th (see Notes on the United Kingdom) the Australian Prime Minister announced that it had been decided to raise the embargo on the export of gold from Australia. A proclamation issued the same day revoked the proclamations of July 14th, 1915, and February 22nd, 1922, by which "the exportation of gold specie or bullion from the Commonwealth was prohibited except with the consent in writing of the Treasurer of the Commonwealth". The convertibility of the notes is maintained. But as the notes are legally payable in sovereigns only at the head office of the Commonwealth Bank, and in view of the fact that the public has become accustomed to the exclusive use of paper currency, it is expected that gold will not enter into circulation to any appreciable extent. The official estimate for gold and silver in circulation in 1914 is £7 million. No later data are available. With the removal of the obstacles to the free gold movements between Australia and the United Kingdom there has been an adjustment of the exchange rates on London.

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[1] Called "Banking Department" in the following sections.

[2] The Gold Producers' Association had already for some years been permitted to export gold representing the current output of the mines.

Foreign assets of the Commonwealth Bank:

The foreign exchange reserve shown in Table V (Vol. I) consists of "Money at short call in London" given under III (*b*), "Bills receivable in London and remittances in transit" given under IV (*b*), and "British, Colonial and Government securities" included in group V (*b*) of Table 30 above.

Investment, discounts, loans and advances of the Commonwealth Bank:

The character of the investments in Group V of the Table is shown below:

£ (000's omitted)

End of	Dec. 1920	June 1921	Dec. 1921	June 1922	Dec. 1922	June 1923	Dec. 1923	June 1924	Dec. 1924
Banking Dept.:									
Commonwealth Government securities	9,823	9,831	9,838	9,697	9,706	10,055	10,085	8,676	8,684
Issue Dept.:									
Commonwealth Government securities	3,078	3,078	3,078	3,078	3,078	3,078	3,078	8,663	7,075
State Government securities	23,037	22,841	22,726	22,637	22,562	22,189	22,138	22,138	22,138
Total (*a*)	35,938	35,750	35,642	35,412	35,346	35,322	35,301	39,477	37,897
Banking Dept.:									
"British, Colonial and Government securities"	23,791	23,474	24,895	25,179	25,717	27,979	29,547	30,097	30,338
"Fixed deposits of other banks"	929	929	929	929	954	954	954	954	954
Issue Dept.:									
"Advances and fixed deposits — Sundry Banks"	8,679	8,201	6,424	3,943	2,392	1,751	2,084	1,648	2,772
Total (*b*)	33,399	32,604	32,248	30,051	29,063	30,684	32,585	32,699	34,064
Grand total	69,337	68,354	67,890	65,463	64,409	66,006	67,886	72,176	71,961

The securities shown in the above statements under the heading "Issue Department" serve as cover for the note issue. The Commonwealth Government securities thus held consist of "inscribed stock" and bonds, whereas the State Government securities mainly consist of Treasury Bills and debentures of the various States. Full details are given only for the end of June each year in the Australian Notes Account as published in the Commonwealth budget, no detailed statement being published by the Bank. It is likewise not stated in the Bank's reports whether the Commonwealth Government securities held by the General Bank and Savings Bank Departments include Treasury bills. The last item in the second statement above is shown in the Treasury returns as investments of the Australian Notes Account. The December figures for this item may include, in addition, small amounts of other assets excluded from the June figures.

The domestic discounts are not shown separately in the balance-sheets of the Bank, but are included with the loans and advances under a common heading: "Bills discounted, loans and advances to customers and other sums due to the Bank". This item is shown in group VI of Table 30. As no further details are given, it is impossible to conclude from the published statements what amounts of commercial bills and advances to the Government are included in these figures.

The new law lays down as a duty of the Commonwealth Bank, which in the past has acted less as a central institution than as an ordinary commercial bank, to fix from time to time (after a date to be fixed by proclamation) the rates at which it will discount and re-discount bills of exchange. Moreover, after a date likewise to be fixed later, all corporations which carry on banking business in the Commonwealth shall settle by means of cheques drawn on and paid into the Commonwealth Bank any balances between them arising out of any customary general clearance effected in any capital city in Australia. By the end of 1924 the Commonwealth Bank had not assumed to any appreciable extent these reserve bank functions.

Note circulation:

The act under which the transfer of the Australian Note Issue to the Commonwealth Bank was effected requires that at least one quarter of the notes issued be covered by a reserve of gold in coin or

bullion to be held in the Issue Department, the remainder to be covered by: (*a*) deposits with any other bank; (*b*) securities of the United Kingdom, or of the Commonwealth, or of a State; (*c*) trade bills with a currency of not more than 120 days. The actual position on the dates given in the table was as follows:

£'s (000's omitted)

End of	Dec. 1920	June 1921	Dec. 1921	June 1922	Dec. 1922	June 1923	Dec. 1923	June 1924	Dec. 1924
Cover for notes issued:									
Gold reserve of Issue Department	23,715	23,863	23,320	23,534	23,939	24,444	24,882	24,441	24,905
Commonwealth Government securities	3,078	3,078	3,078	3,078	3,078	3,078	3,078	8,663	7,075
State Government securities	23,037	22,841	22,726	22,637	22,562	22,189	22,138	22,138	22,138
"Advances and fixed deposits — Sundry Banks"	8,679	8,201	6,424	3,943	2,392	1,751	2,084	1,648	2,772
Other assets	204	243		365		640			
Total cover	58,713	58,226	55,548	53,557	51,971	52,102	52,182	56,890	56,890
Notes issued:									
Held by the public	26,966	22,934	24,747	22,604	24,491	52,102	52,182	56,890	56,890
Held by banks	31,747	35,292	30,801	30,953	27,480				
Total notes	58,713	58,226	55,548	53,557	51,971	52,102	52,182	56,890	56,890
To deduct: Notes held in Banking Department	1,562	8,014	2,685	8,047	1,971	4,458	3,285	8,922	5,350
Notes in circulation	57,151	50,212	52,863	45,510	50,000	47,644	48,897	47,968	51,540

In the Commonwealth Bank Act 1924, special authorisation is given to issue Australian notes in exchange for money or securities lodged with the London branch of the Bank.

It has proved necessary, in order to arrive at comparable figures of net circulation for the period under review, in Table III (Vol. I), to deduct the Australian notes held by the Commonwealth Bank or its Banking Department from the total issue, although up to the end of 1920 the Commonwealth Bank was not the issuing authority.

NEW ZEALAND

On August 5th, 1914, the Governor-General was authorised by an Act amending the Banking Act to declare bank-notes legal tender. This was done on the following day and the notes of the six private issuing banks which form the only circulating medium in the country have since remained legal tender.

Up to 1916 the issue of notes was limited to the total holdings of coin, bullion and public securities of these institutions and might not exceed three times the coin holdings. The conditions of issue were fixed for each bank separately, and certain of them were empowered to keep their guarantee funds in the United Kingdom.

By additional regulations to the Finance Act of 1916 the issue was made independent of any specific coin holdings and the right of issuing notes against securities held in the United Kingdom was enlarged. In November and December 1920 the Banks were authorised to issue notes for a period of about two years against "War Loan advances" and "Wool advances".

Out of the six banks, only two are national, the other four being Australian. All of them have branches in London and keep there a part of their funds, and the monetary system is in effect a form of Exchange Standard.

The following table shows the rates paid for cable transfers on London:

Banks' Selling Rate.

1914	$\frac{5}{8}$–1$\frac{3}{4}$ premium	1923	$\frac{1}{4}$ premium
1915	1$\frac{1}{2}$–1$\frac{1}{4}$ »	1924	
1916	1$\frac{1}{2}$ »	Jan. 1st to Sept. 8th.	$\frac{1}{4}$ »
1917	1$\frac{1}{4}$–1 »	Sept. 9th to Oct. 5th.	—
1920	1$\frac{1}{2}$–2$\frac{1}{2}$ »	October 6th to 13th	$\frac{1}{2}$ discount
1921	3–2$\frac{1}{2}$ »	Oct. 14th to Dec. 31st	1 »
1922	1$\frac{3}{4}$-$\frac{1}{4}$ »		

The yearly and quarterly figures given in Tables III and IV are averages of the last quarter of each year and averages of each quarter respectively.

The figures for metallic reserves include silver and token money. The proportions on June 30th, 1914, and on March 31st, 1920, were:

	June 30th, 1914	*March 31st*, 1920
	£'s (000's omitted)	
Gold	4,892	6,800
Silver	375	716
Bronze	15	10

AFRICA

Table 31.

EGYPT

ACCOUNTS	1913	1918
ASSETS.		
I. Metallic Reserve at home	2,531	333
(*a*) Gold	2,117	143
(*b*) Silver and Token coins	414	190
II. Other items of a Reserve or Cash nature	30	8
III. Assets in and Claims on Foreign Countries	525	6,271
(*a*) Gold Deposits abroad	—	3,203
(*b*) Book Balances and Credits abroad	525	3,068
IV. Commercial Bills	1,587	2,701
(*a*) Inland	295	64
(*b*) Foreign	1,292	2,637
V. Securities and Investments	2,293	57,810
(*a*) Government	1,836	15,357
(*b*) Other	457	42,453
VI. Loans and Advances	6,813	10,003
(*a*) to the Government	803	61
(*b*) on Government securities	1,627	713
(*c*) Other	4,383	9,229
VII. Sundries (including Premises, etc.)	306	1,359
VIII. Total Assets	**14,085**	**78,485**
LIABILITIES.		
IX. Capital	2,925	2,925
X. Reserve Funds	1,487	1,950
XI. Profit and Loss and Dividends Accounts	153	431
XII. Notes in circulation	2,236	44,490
XIII. Post Bills, Cheques, etc., in circulation	126	179
XIV. Current Accounts	7,067	28,016
(*a*) Government	3,348	12,397
(*b*) Other	3,719	15,619
XV. Other Deposits	—	—
(*a*) Government	—	—
(*b*) Other	—	—
XVI. Sundries	91	494
XVII. Total Liabilities	**14,085**	**78,485**

Table 31.

EGYPT

NATIONAL BANK OF EGYPT

Position in £'s E. (000's omitted) at the end of

1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
417	371	292	458	2,516	3,886	3,997	3,748	3,694
151	154	159	160	2,106	3,346	3,346	3,346	3,340
266	217	133	298	410	540	651	402	354
1	4	1	—	—	—	—	—	—
5,986	4,859	5,100	4,855	2,972	2,911	3,695	4,631	5,478
3,203	3,203	3,203	3,203	1,253	19	16	14	—
2,783	1,656	1,897	1,652	1,719	2,892	3,679	4,617	5,478
7,392	1,771	1,891	5,297	6,796	3,592	2,480	2,489	5,829
56	140	114	92	134	270	348	328	185
7,336	1,631	1,777	5,205	6,662	3,322	2,132	2,161	5,644
80,397	46,290	40,107	41,387	47,174	51,446	48,157	51,499	59,803
16,582	9,335	6,619	11,704	14,292	21,856	22,462	20,304	21,302
63,815	36,955	33,488	29,683	32,882	29,590	25,695	31,195	38,501
9,606	10,063	6,932	5,689	6,252	3,501	3,294	4,954	6,269
1	4,405	509	28	—	—	—	—	—
1,445	1,896	2,263	2,059	2,169	1,543	1,960	2,290	2,695
8,160	3,762	4,160	3,602	4,083	1,958	1,334	2,664	3,574
902	1,595	872	859	830	924	1,008	1,222	786
104,701	**64,953**	**55,195**	**58,545**	**66,540**	**66,260**	**62,631**	**68,543**	**81,859**
2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925
1,950	2,048	2,145	2,194	2,267	2,267	2,267	2,267	2,364
459	507	512	511	510	—	—	—	515
62,805	37,254	35,282	31,709	34,347	31,846	28,055	32,590	40,174
290	258	213	227	220	194	255	465	502
36,192	21,209	14,086	20,959	26,238	28,507	28,431	29,349	35,351
15,011	2,909	2,313	9,310	13,097	14,638	14,996	14,733	20,235
21,181	18,300	11,773	11,649	13,141	13,869	13,435	14,616	15,116
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
80	752	32	20	33	521	698	947	28
104,701	**64,953**	**55,195**	**58,545**	**66,540**	**66,260**	**62,631**	**68,543**	**81,859**

EGYPT

Notes.

The National Bank of Egypt is divided into a general Banking Department and a special Issue Department with separate balance-sheets. For the purpose of international comparison, these balance-sheets have been combined into one in the present Memorandum. The assets of the Issue Department — *i.e.* practically the whole of the Bank's gold reserve and certain securities serving as cover for the note circulation — are under the joint administration of the Government and the Bank.

Metallic reserve and foreign assets:

The silver and other token coins and a fraction of the gold reserve are held as till money by the Banking Department and do not serve as cover for the note issue.

The increased demand for Egyptian products (especially cotton) on account of the war resulted in a considerable surplus of exports. In 1914 and 1915 this surplus was paid for in gold, which accumulated in the Bank of England for the account of the National Bank. This gold, which was not included in the metallic reserve shown in the Bank of England's weekly returns, formed part of the legal cover for the Egyptian note circulation and was transferred to Egypt at the end of 1923 and the beginning of 1924. Since the end of 1915, when gold became more difficult to obtain, the export surplus was paid for almost exclusively in British Government securities. Every such addition to the funds in London called forth a corresponding increase in the Egyptian note circulation, owing to the Egyptian cultivators' habit of exchanging at the National Bank all their foreign claims arising from the exports for cash, *i.e.* mainly notes. It therefore soon proved difficult to comply with the statutory provision that one-half of the notes issued should be fully covered by gold, and by a Decree of October 30th, 1916, the Bank was authorised to count British Treasury bills as a substitute for gold to the extent required to conform to that provision. This amendment to the Statutes at the same time removed all legal restrictions in regard to advances in bank notes for the needs of the Allied troops in Egypt, etc. The amount of the various claims on the British Government is shown below in the statement giving the composition of the cover for the notes. These claims constitute almost the whole of the "other" securities shown under V (*b*) in Table 31 above, and correspond exactly to the foreign Government securities in Table V (Vol. I).

The figures for book balances abroad given under III (*b*) in Table 31 consist of: (*a*) "money at call and short notice", which item, although this is not clearly stated in the reports of the Bank, would appear to represent mainly (if not entirely) balances in London; and (*b*) "bankers' accounts", less those blocked in Germany and Austria. The blocked accounts are included in the sundries in group VII of the table. The foreign balances as given in Table V (Vol. I) have been arrived at after deducting the sums due on the "bankers' accounts", which sums are included in the current accounts in group XIV (*b*) of Table 31.

Securities, loans and advances:

As will be seen from the detailed statement below, only an insignificant portion of the Bank's holdings of Egyptian Government securities is held in the Issue Department and serves as cover for the notes. Almost the whole of the amounts shown under V (*a*) in Table 31 are held in the Banking Department and consist largely of short-term securities representing advances to the Egyptian Government [1].

Note circulation:

In order to show net circulation, the notes held as cash reserve in the Banking Department have been deducted from the amounts issued shown in the balance-sheets of the Issue Department. According to Article 5 of the Statutes of the Bank, the notes issued must be covered: (*a*) by gold to the extent of at least 50 per cent; (*b*) the remainder by securities in the exclusive possession of the Bank valued at not more than their market price and in no case at more than par. The Government alone decides which securities may serve as cover for the note issue; this right, however, does not involve any financial obligation. The assets serving as cover for the notes issued must be deposited in the Issue Department or,

[1] For details as to the remaining investments, loans and advances, see notes in last year's *Memorandum on Central Banks.*

subject to the authorisation of the Minister of Finance, with the Bank of England or any other bank in London approved by the Minister.

As mentioned above, these regulations were amended in 1916 and British Treasury bills made equivalent to gold within certain limits. Since 1913 the notes issued were covered as follows:

£E. (000's omitted).

End of	Gold reserve of Issue Department: At home	Abroad	Total	British Treasury bills and National War Bonds	Egyptian Government securities	Total cover	Notes issued	Notes held in Banking Department	Notes in circulation
1913	1,350	—	1,350	1,350		2,700	2,700	464	2,236
1914	3,682	650	4,332	3,918		8,250	8,250	785	7,465
1915	3,970	3,164	7,134	4,416		11,550	11,550	968	10,582
1916	2,728	3,203	5,931	11,837	3,432	21,200	21,200	1,829	19,371
1917	656	3,203	3,859	24,244	2,697	30,800	30,800	1,248	29,552
1918	106	3,203	3,309	42,148	543	46,000	46,000	1,510	44,490
1919	130	3,203	3,333	63,530	437	67,300	67,300	4,495	62,805
1920	130	3,203	3,333	36,684	383	40,400	40,400	3,146	37,254
1921	137	3,203	3,340	33,233	427	37,000	37,000	1,718	35,282
1922	137	3,203	3,340	29,439	421	33,200	33,200	1,491	31,709
1923	2,087	1,253	3,340	32,639	421	36,400	36,400	2,053	34,347
1924	3,340	—	3,340	38,240	420	42,000	42,000	1,826	40,174

It will be observed that, since 1916, there has been a close connection between the Bank's holdings of British Government securities and the note circulation. The great contraction in the note circulation in 1920 was due to the heavy fall in the cotton prices in that year and resulting passive trade balance. In order to pay for the excess of imports, the note-holders brought notes, which had been largely hoarded, to the National Bank and obtained in exchange drafts on London, with the result that the Bank's British security holdings and the note circulation were correspondingly reduced.

The currency notes shown in Table III (Vol. I) were issued by the Government in 1918 to replace subsidiary coins.

After the occupation of Palestine by the Western Allies, notes of the National Bank of Egypt became gradually the main currency in that country. No official estimates of the quantity of such notes in circulation there are available, but it was generally believed in banking circles that they amounted to between £E. 1 million and £E. 1.5 millions at the end of 1918, and approximately £E. 2 millions at the end of 1921.

Table 32.

UNION OF SOUTH

Position in

ACCOUNTS	December 1921	June 1922
ASSETS.		
I. Metallic Reserve at home	4,746	7,962
(*a*) Gold	4,746	7,962
(*b*) Silver and Token coins	—	—
II. Other items of a Reserve or Cash nature	—	—
III. Assets in and Claims on Foreign Countries	—	—
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	—	—
IV. Commercial Bills	—	45
(*a*) Inland	—	45
(*b*) Foreign	—	—
V. Securities and Investments	600	1,000
(*a*) Government	—	—
(*b*) Other	—	—
VI. Loans and Advances	2,200	2,226
(*a*) to the Government	2,200	2,200
(*b*) on Government securities	—	26
(*c*) Other		
VII. Sundries (including Premises, etc.)	34	34
VIII. Total Assets	**7,580**	**11,267**
LIABILITIES.		
IX. Capital	1,000	1,000
X. Reserve Funds	—	2
XI. Profit and Loss and Dividends Accounts	—	—
XII. Notes in circulation	—	4,568
XIII. Post Bills, Cheques, etc., in circulation	—	—
XIV. Current Accounts	6,520	5,640
(*a*) Government	—	—
(*b*) Other	6,520	5,640
XV. Other Deposits	—	—
(*a*) Government	—	—
(*b*) Other	—	—
XVI. Sundries	60	57
XVII. Total Liabilities	**7,580**	**11,267**

Table 32.

OUTH AFRICA

AFRICAN RESERVE BANK

£'s (000,000's omitted) at the end of

December 1922	June 1923	December 1923	March 1924	June 1924	September 1924	December 1924
10,686	10,750	10,752	10,702	10,773	10,825	10,826
10,436	10,625	10,652	10,652	10,723	10,775	10,776
250	125	100	50	50	50	50
—	—	—	—	—	—	—
—	—	—	70	—	—	—
—	—	—	—	—	—	—
—	—	—	70	—	—	—
3,144	4,045	4,081	4,268	3,125	2,847	3,028
2,694	3,285	2,695	2,628	2,357	2,397	2,055
450	760	1,386	1,640	768	450	973
—	1,717	1,887	1,322	952	1,803	1,643
—	—	—	—	—	—	—
—	—	—	—	—	—	—
2,363	2,725	547	1,012	2,715	1,120	2,037
1,300	2,725	535	1,012	2,715	1,100	2,000
1,063	—	12	—	—	20	37
119	42	157	18	93	103	139
16,312	**19,279**	**17,424**	**17,392**	**17,658**	**16,698**	**17,673**
1,000	1,000	1,000	1,000	1,000	1,000	1,000
2	40	40	40	153	153	153
—	—	—	149	—	—	—
10,014	13,088	11,334	10,848	10,789	10,418	11,456
—	—	—	—	—	—	—
5,156	5,029	4,813	5,295	5,585	4,570	4,494
—	—	—	—	—	—	—
5,156	5,029	4,813	5,295	5,585	4,570	4,494
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
140	122	237	60	131	557	570
16,312	**19,279**	**17,424**	**17,392**	**17,658**	**16,698**	**17,673**

UNION OF SOUTH AFRICA

NOTES.

South African Reserve Bank:

The South African Reserve Bank was established by the "Currency and Banking Act, 1920", and began to operate in the middle of 1921. Prior to the coming into force of this Act, the banking organisation in South Africa was based upon the laws of the various provinces forming the Union. The right of note issue rested with commercial banks, and, as there was no central bank, the scattering of the reserves presented great inconveniences. The new Reserve Bank is modelled largely on the Federal Reserve system of the U.S.A., although there are certain differences.

The South African Reserve Bank is a private institution. One half of the share capital is held by the commercial banks doing business in the Union, which banks, under Section 10 of the Act, had to subscribe 50 per cent of the original capital in proportion to their own paid-up capital and reserve funds. Moreover, there is a provision in the same section of the Act that every bank doing business in the Union must hold shares of the Reserve Bank to a nominal value of not less than 5 per cent of its own paid-up capital. The remaining half of the share capital was subscribed and is held by the public. As mentioned below, the note issue of the Reserve Bank has replaced the issues of the commercial banks, which must maintain with the Reserve Bank certain balances against their liabilities to the public. (For details as to the administration of the Bank, see *Memorandum on Central Banks* 1913 and 1918-1923, page 358.)

Metallic reserve:

The Currency and Banking Act of 1920 gives the Treasury authority to receive deposits of gold coin and bullion and to issue therefor gold certificates. Whenever the market price of gold is higher than £3. 17s. 10½d. per standard ounce, a proclamation may be issued suspending the redemption of these certificates (Proclamation 220, September 15th, 1920), but they were to be converted into gold after June 30th, 1923, unless determined otherwise by Act of Parliament. These gold certificates are in point of fact all held by the banks, and are included in the reserve figures in Table IV (Vol. I) and Table 32 above as follows:

£'s (000's omitted)

End of	Dec. 1921	June 1922	Dec. 1922	March 1923	June 1923	Sept. 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Gold certificates held by:											
Reserve Bank	4,716	7,329	10,052	10,039	10,091	10,102	10,102	10,102	10,173	10,223	10,223
Joint-stock banks	5,397	2,782	186	199	147	136	136	136	130	135	135
Total	10,113	10,111	10,238	10,238	10,238	10,238	10,238	10,238	10,303	10,358	10,358
Gold coins and bullion:											
Reserve Bank	30	133	384	484	534	534	550	550	550	552	553
Joint-stock banks	484	543	431	388	369	420	465	494	429	385	395
Total	514	676	815	872	903	954	1,015	1,044	979	937	948
Total gold reserve at home	10,627	10,787	11,053	11,110	11,141	11,192	11,253	11,282	11,282	11,295	11,306
Thereof { *Reserve Bank*	*4,746*	*7,462*	*10,436*	*10,523*	*10,625*	*10,636*	*10,652*	*10,652*	*10,723*	*10,775*	*10,776*
Thereof { *Joint-stock banks*	*5,881*	*3,325*	*617*	*587*	*516*	*556*	*601*	*630*	*559*	*520*	*530*

In the autumn of 1921 the question of the convertibility of the gold certificates arose, and a Conference was appointed to consider whether the date should be extended beyond June 30th, 1923. This Conference reported against the re-introduction of the convertibility of the gold certificate and the re-establishment of an effective gold standard on that date, and recommended that "the inconvertibility of the gold certificate be provisionally extended to June 30th, 1925, provided that it is clearly understood that this prolongation of the inconvertibility of paper money be not taken advantage of further to inflate the currency

and provided further that, should the market price of gold in the Union at any time within that period fall to three pounds seventeen shillings and tenpence halfpenny or less per standard ounce and so continue for a continuous period of thirty days, the power of the Governor-General to suspend the redemption of gold certificates shall automatically lapse ". This recommendation was embodied in an Act of June 14th, 1923, amending the Currency and Banking Act of 1920.

In conformity with another recommendation[1] of the Conference, the embargo imposed on the export of gold bullion under the Public Welfare and Moratorium Act, 1914, and later amendments, was allowed to lapse on June 30th, 1922. Since then, refined gold ingots could be purchased at the Johannesburg refinery and used for the purpose of paying for goods in other countries. However, as long as the gold certificates remained inconvertible, South Africa could not be deemed a free market for gold.

In the autumn of 1924, in view of the approach of the date set for redemption of specie payments, two experts, Prof. E. W. Kemmerer, of U.S.A., and Dr. G. Vissering, President of the Netherlands Bank, were invited by the Minister of Finance to visit South Africa and to study the question of the desirability of a return to the gold standard. In January 1925, these experts presented a report to the Government. In view of the fact that by that time the South African pound was above gold parity, the experts recommended the resumption of gold payments from July 1st, 1925, by allowing the existing legislation to run its course, regardless of whether similar action were taken by the United Kingdom, and that the Government should make an immediate announcement to this effect. Following this recommendation, the Government announced in January that it would not propose a prolongation of the suspension of specie payments and that the Reserve Bank thus should, from July 1st at the latest, resume the redemption of its notes in gold at par.

There are no open market quotations of the South African pound, but the banks operating in the Union fix their exchange rates on London from time to time by common agreement. The South African pound in recent years has stood at a premium over the British pound which premium in 1924 fluctuated between 2½ to 3½% buying rate and $1^5/_8$ to $2^5/_8$% selling rate on London. With the rise of the pound sterling near to dollar parity in January 1925, the South African pound at the beginning of that month rose almost 1 % above its nominal gold value. This situation, which has later been corrected by a reduction in the premium quoted in London, resulted in gold bullion being taken to the Pretoria Mint (established in 1922) for coinage into sovereigns instead of being offered on the London market. At the same time there was a rapid increase in the Reserve Bank's holdings of gold coin and bullion from £553,000 on December 30th to £3,850,000 on February 28th, 1925.

After the United Kingdom had restored a free gold market and the British pound had appreciated practically to parity with gold and the South African currency, the Government of the Union saw no reason for delaying the resumption of specie payments, and on May 18th the Act postponing the convertibility of gold certificates until July 1st was rescinded and the gold standard completely restored. The system now in force in South Africa differs from that of the United Kingdom and the Netherlands in that gold is available for internal circulation, *i.e.*, the Reserve Bank is under the obligation to deliver gold coins for its notes on demand, as well as to buy at a fixed price all gold offered to it. The Bank's reserve of gold coin and bullion rose from £3,152,000 to £3,997,000 between May 16th and 23rd. Its reserve of gold certificates fell simultaneously from £10,224,000 to £9,974,000. In their report the experts recommended that no more gold certificates should be issued and those outstanding should be retired after re-establishment of the gold standard as they " will no longer be necessary, and as they tend to replace Reserve Bank notes in the country's circulation".

Foreign assets of the Reserve Bank:

The foreign exchange reserve of the Bank shown in Table V (Vol. I) consists of the foreign bills given in group IV (*b*) and the British Treasury bills which constitute almost the whole of group V (*b*) of Table 32 above. The Bank is allowed under Section 17 of the Act, subject to the consent of the Treasury, "to hold gold balances outside the Union in the custody of its own branches or agencies or deposited in other banks earmarked for its account to an amount not exceeding one-fourth of the total reserve requirements". The Bank seems not to have made use of this right during the period under review. It is empowered further to hold book balances on places abroad, but no such balances have been shown separately in its weekly returns up to the end of 1924. The annual reports referring to the end of March 1924 and 1925, however, show a balance with the Bank of England of £70,000 on the first date and £114,000 on the second date.

[1] For the full text of the recommendations of the Conference, see *Memorandum on Currency* 1913-1923, page 135.

Investments, discounts, loans and advances of the Reserve Bank:

According to the Act, the Bank is permitted to invest its paid-up capital and reserves in securities of the Union or other Governments having not more than two years to run. The Bank's power to invest other funds entrusted to it is limited to the purchase of debentures, bonds or bills of the Union Government and of local authorities in the Union which have not more than six months to run. The investments actually made by the Bank, included in Table 32 under group V, the bulk of which, as already mentioned, consists of British Treasury bills (shown separately in Table V (Vol. I), remained inconsiderable up to the end of 1924.

The loans and advances to the Government shown under VI (*a*) in Table 32 above have been composed as follows:

£'s (000's omitted)

End of	Dec. 1921	Dec. 1922	June 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Union Treasury bills discounted	—	—	225	35	12	15	—	1,000
Loans and advances to the Governments	2,200	1,300	2,500	500	1,000	2,700	1,100	1,000
Total	2,200	1,300	2,725	535	1,012	2,715	1,100	2,000

The Act of 1920 limited the Bank's powers to discount bills to genuine commercial paper bearing at least two good signatures. By the Currency and Banking Amendment Act passed in June 1923, however, the Bank was authorised in addition to "buy, sell or re-discount bills of the Union or of a local authority in the Union having not more than six months to run". These bills may be used within certain limits as cover for the note circulation. The period of currency of the commercial bills may not exceed 90 days, except in the case of agricultural bills. These may have a currency not exceeding six months, but the bank's holdings of such paper must not exceed 20 per cent of all its discounts. The Bank may also "buy, sell or re-discount bills of exchange and promissory notes, with a maturity not exceeding 90 days, bearing the endorsement of a bank, issued or drawn for the purpose of carrying or trading in Union Government securities". Such discounts, which correspond to the advances on Government securities given under VI (*b*) in the banking tables for certain other countries, are not shown separately in the balance-sheets of the Bank.

The Bank's loans other than those to the Government are confined to advances against the security of: (1) stocks, debentures and bills of the Union Government, or of a local authority in the Union, which have not more than six months to run; (2) gold coin and bullion or documents relating to shipments or storage thereof; and (3) bills of exchange and bankers' acceptances eligible for discount by the Bank.

The above-mentioned report of the currency experts recommends certain amendments to the Bank Act which, in the experts' opinion, would enable the Bank in the future to operate in the open market more actively than it has done in the past and thus facilitate the maintenance of the gold standard once it has been restored.

Note circulation:

Before the passing of the Currency and Banking Act, 1920, notes were issued by commercial banks only, their issue being governed by different provisions in the various provinces of the Union. One of these banks also issued notes in Rhodesia, but these notes are excluded from the circulation figures given in Table III (Vol. I).

The Act confers upon the Reserve Bank the sole right to issue bank-notes in the Union. Under the Act of 1920, the notes must be covered to not less than 40 per cent by gold and as to the remainder by commercial bills eligible for discount by the Bank. On account of the insufficiency of such discounts, the bulk of the bank credits in the Union being given in the form of advances, a temporary provision was introduced by the Amendment Act of June 1923 authorising the Bank, until the end of June 1928, to issue notes, against security of Treasury bills of the Union Government or the British Government having not more than 90 days to run, to an amount not exceeding 35 per cent of the total note issue or 140 per cent of the total amount of commercial paper or trade bills held by the Bank.

As an additional security, the notes have a first charge on all the assets of the Bank. They were made legal tender by the Amendment Act of 1923.

To give an additional elasticity to the note issue in times of stringency, the Act contains a provision that, subject to the consent of the Treasury, the above reserve requirements may be suspended for a period

of 30 days, this suspension being renewable from time to time for periods not exceeding 15 days, on the following conditions: In respect of the amount by which the gold reserve against the notes falls below the minimum requirements, a graduated tax is imposed at the rate of 1 per cent per annum when the gold reserve is less than 40 per cent but not less than 32½ per cent of the note circulation, rising by 1½ per cent per annum upon each 2½ per cent decrease by which the reserve falls below 32½ per cent of the circulation. This tax on the excess circulation is coupled with an obligation compelling the Bank to increase its rate of discount by a percentage which is at least equal to the tax percentage of the tax levied.

In addition to the gold reserve against the notes the Reserve Bank must keep a metallic reserve equal to at least 40 % of the total of the "reserve balances" held with it by the commercial banks and other sums deposited with it as well as its drafts payable on demand. Not more than one-fifth of this additional reserve may consist of silver coin. Almost the whole of the deposits shown under XIV (*b*) in Table 32 are bankers' deposits, every bank transacting business in the Union being required to maintain with the Reserve Bank "reserve balances" equal to at least 13 per cent of its demand liabilities (other than notes) and 3 per cent of its time liabilities to the public in the Union. As a transitory measure for a period of three years, the reserve balances against the demand liabilities (other than notes) need not exceed 10 per cent. Under Section 14 of the Act, the Bank is prohibited from accepting money on deposit for a fixed term or allowing interest on credit balances on current account.

The commercial banks issuing notes at the time of the coming into force of the Act were allowed to continue to do so for a period of 12 months on condition that they complied with the requirement of keeping a gold reserve of not less than 40 per cent against their notes. Moreover, any excess circulation beyond that of December 31st, 1919, was subject to an additional tax, apart from the old note duty, at the rate of 3 per cent per annum. Certain provisions aiming at the complete withdrawal or transfer to the Reserve Bank of the note issues of the commercial banks within a period of two years from the date when the Reserve Bank would start issuing its own notes were embodied in the Act. The Reserve Bank started its note issue in April 1922, the new notes replacing rapidly those of the commercial banks. The aggregate amount of such notes in circulation decreased from £8,101,000 on April 30th to £1,236,000 on December 31st that year, to £571,000 on December 31st, 1923, and were completely withdrawn by the end of the period provided in the Act.

In order to render the figures comparable throughout the period under review, the notes of the Reserve Bank held by the joint-stock banks have been deducted in Table III (Vol. I) as they constituted in point of fact part of the reserve of these banks in place of gold certificates previously held. In calculating the cover percentages in the Introduction tables, however, these notes have been included, whereas those of the joint-stock banks have been excluded since September 1922.

Table 33. NORTH AMERICA

CANADA

ACCOUNTS	1913	1918	1919
ASSETS.			
I. Metallic Reserve at home	27.1	69.4	73.1
(*a*) Gold	—	—	—
(*b*) Silver and Token coins	—	—	—
II. Other items of a Reserve or Cash nature	178.8	420.5	439.8
III. Assets in and Claims on Foreign Countries	231.3	354.5	451.4
(*a*) Gold Deposits abroad	19.5	18.4	17.5
(*b*) Book Balances and Credits abroad	211.8	336.1	433.9
IV. Commercial Bills	—	—	—
(*a*) Inland	—	—	—
(*b*) Foreign	—	—	—
V. Securities and Investments	104.4	513.5	460.0
(*a*) Government	11.0	206.9	149.8
(*b*) Other	93.4	306.6	310.2
VI. Loans and Advances	934.4	1,209.7	1,397.2
(*a*) to the Government	3.8	8.4	15.2
(*b*) on Government securities (*c*) Other	930.6	1,201.3	1,382.0
VII. Sundries (including Premises, etc.)	63.1	100.4	123.3
VIII. Total Assets	**1,539.1**	**2,668.0**	**2,944.8**
LIABILITIES.			
IX. Capital	114.8	109.5	119.2
X. Reserve Funds	112.1	116.0	124.7
XI. Profit and Loss and Dividends Accounts	16.1	16.1	16.8
XII. Notes in circulation	96.4	202.7	209.9
XIII. Post Bills, Cheques, etc., in circulation	16.5	0.9	6.4
XIV. Current Accounts	546.0	1,225.8	1,275.5
(*a*) Government	32.3	269.7	243.9
(*b*) Other	513.7	956.1	1,031.6
XV. Other Deposits	624.7	958.5	1,138.1
(*a*) Government	—	—	—
(*b*) Other	624.7	958.5	1,138.1
XVI. Sundries	12.5	38.5	54.2
XVII. Total Liabilities	**1,539.1**	**2,668.0**	**2,944.8**

Table 33.

CANADA

CHARTERED BANKS

Position in $ (000,000's omitted) at the end of

1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
74.1	70.1	92.6	53.5	54.0	53.5	54.2	53.8
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
435.7	369.5	352.9	363.9	292.0	312.3	286.4	392.2
556.4	439.9	454.4	453.3	485.8	476.8	462.6	493.0
20.1	19.2	15.2	13.0	14.1	14.8	14.6	12.6
536.3	420.7	439.2	440.3	471.7	462.0	448.0	480.4
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
358.2	367.7	340.6	426.9	469.9	510.0	565.4	535.7
120.5	214.5	201.8	258.7	288.8	317.3	369.8	324.5
237.7	153.2	138.8	168.2	181.1	192.7	195.6	211.2
492.1	1,365.3	1,245.3	1,220.8	1,201.8	1,198.6	1,142.3	1,149.8
12.5	7.9	19.4	23.3	16.2	13.3	8.6	22.3
479.6	1,357.4	1,225.9	1,197.5	1,185.6	1,185.3	1,133.7	1,127.3
121.4	113.1	113.4	160.9	163.6	155.3	164.9	166.2
037.9	**2,725.6**	**2,599.2**	**2,679.3**	**2 667.1**	**2,706.5**	**2,675.8**	**2,790.7**
128.1	129.3	125.3	123.6	123.4	121.9	121.9	121.9
133.0	128.4	130.7	123.4	123.8	124.9	122.9	122.9
17.6	16.7	15.1	15.1	20.8	29.1	20.8	13.5
209.7	163.5	156.8	159.1	154.5	152.4	148.6	148.9
10.4	11.2	8.5	5.6	8.3	8.7	9.4	11.3
199.0	1,010.4	955.0	1,019.9	990.0	1,027.9	1,014.3	1,072.5
138.0	150.2	78.6	113.3	113.9	108.5	109.3	86.1
061.0	860.2	876.4	906.6	876.1	919.4	905.0	986.4
293.0	1,240.8	1,184.7	1,180.0	1,192.6	1,189.0	1,177.4	1,237.1
—	—	—	—	—	—	—	—
293.0	1,240.8	1,184.7	1,180.0	1,192.6	1,189.0	1,177.4	1,237.1
47.1	25.3	23.1	52.6	53.7	52.6	60.5	62.6
037.9	**2,725.6**	**2,599.2**	**2,679.3**	**2,667.1**	**2,706.5**	**2,675.8**	**2,790.7**

CANADA

Notes.

Chartered banks:

The Chartered Banks are commercial banks; but, owing to the absence of a special central bank in Canada, they have assumed certain functions which in other countries are mainly exercised by such banks. The Chartered Banks are entitled to issue notes, which form the chief circulating medium in Canada. On account of the rights conferred upon them, their operations and especially their note issue are subject to control. The Bank Act forming the common charter for all the banks here concerned is "revised" every ten years on the occasion of the extension of the Government charters. The last revision on June 30th, 1923, was mainly of a formal character and did not result in any material change of the provisions then in force. The Chartered Banks are obliged to submit a statement of their position each month to the Minister of Finance. On the basis of these statements, the Minister of Finance publishes a combined monthly return from which Table 33 above has been compiled.

Metallic reserves and note circulation:

The metalic reserve at home of the Chartered Banks given in Table 33 above and in Table IV (Vol. I) includes some subsidiary coins not shown separately in the official returns. The sums in group I of the former table include the gold deposited in the "Central Gold Reserves" shown separately in the latter table. These reserves are under the administration of the Minister of Finance and consist of gold and Dominion notes deposited as collateral for banknotes issued in excess of the legally defined limits as explained below. The gold deposits abroad are mainly held in New York and London and are at the free disposal of the Banks.

The Dominion notes issued by the Dominion Treasury are legal tender and consist of two main categories (see Table III, Vol. I), which serve different purposes. The small notes ($5, $4, $2, $1 and 25 cents), against which no gold is held as cover, are in actual circulation in the hands of the public. The big denominations are held by the Chartered Banks for reserve purposes and do not normally enter into circulation [1]. Under the Bank Act at least 40% of whatever reserve a Bank finds it expedient to carry must be in Dominion notes. These Dominion notes of big denominations held by the Chartered Banks or deposited by them in the Central Gold Reserves are included in group II of Table 33, the detailed composition of which is shown below:

$ (000,000's omitted)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Dominion notes:											
At hand	104.8	175.8	173.–	177.5	195.7	182.7	164.4	138.5	129.4	143.5	182.2
Deposited in the "Central Gold Reserves"	6.4	122.4	115.3	101.9	58.–	47.2	56.1	51.4	52.8	39.3	51.2
Total big denominations	111.2	298.2	288.3	279.4	253.7	229.9	220.5	189.9	182.2	182.8	233.4
"Bank Circulation Redemption Fund"	6.7	5.9	6.–	6.3	6.5	6.5	10.5	6.1	6.2	6.2	8.2
"Cheques on other Banks"	60.9	116.4	145.5	150.–	109.3	116.5	132.9	96.–	123.9	97.4	150.6
Total	178.8	420.5	439.8	435.7	369.5	352.9	363.9	292.–	312.3	286.4	392.

Under the Dominion Notes Act of August 22nd, 1914, these notes had to be covered by gold to the extent of at least 25% up to 50 million dollars and to the extent of 100% beyond that amount. By "An Act respecting the Issue of Dominion Notes" of 1915, the Government was authorised to issue in addition

[1] During the whole of the period under review all the Dominion notes issued in such denominations were either held directly by the Chartered Banks or deposited by them in the "Central Gold Reserves".

up to 26 million dollars of notes without any reserve of gold (16 million dollars of these notes to be against certain specified Canadian railway securities guaranteed by the Dominion Government) but any amount in excess of 76 million dollars is to be covered, in normal times, entirely by gold. Under the provisions of the Finance Act of 1914, however, the Governor-General was empowered in case of emergency to authorise by proclamation the issue of additional Dominion notes against approved securities and to suspend their redemption in gold.

As explained above, the banknotes form the circulating medium chiefly in use in Canada. Under the Bank Act, the gross circulation of a bank must not exceed, except in the special case mentioned below, "the aggregate of (*a*) the amount of the unimpaired paid-up capital of the bank, and (*b*) the amount of the current gold coin and of Dominion notes held for the bank in the Central Gold Reserves". Thus, there is no limit set for the note issue, but all notes issued in excess of the capital must be covered dollar for dollar by a deposit of gold or Dominion notes in the Central Gold Reserves. No specific cover is prescribed for the note circulation within the limit of the paid-up capital, but, in case of insolvency, the notes of a bank are a first lien upon the assets and are further secured by the "Bank Circulation Fund", shown in the statement above. Under Articles 63 and 64 of the Bank Act, all the Chartered Banks must contribute to this fund on the basis of 5% of their average note circulation, the sum thus secured being available for the redemption of the notes of banks which fail. The gold, if any, included in the Redemption Fund, which is under the administration of the Minister of Finance, is not shown separately in the official returns and therefore not included in the total shown in Table IV (Vol. I). The fund would appear, however, to consist mainly of small Dominion notes.

During the period of the movement of the crops (September 1st to the end of February) the Banks are allowed to exceed the above circulation limits by additional issues to an amount of not more than 15 % of their combined capital and "rest or reserve funds". No specific cover is prescribed for such additional issue, but the Banks must pay interest on the "excess" at 5 %. In the event of war or panic, the Government may permit the excess to run all the year.

Although Dominion notes constituted compulsory legal cover only for a minor part of the banknote circulation, the Banks' aggregate holdings of such notes largely exceeded the banknotes in actual circulation on the various dates given in the tables. As already mentioned, the Dominion notes are legal tender, whereas the banknotes are not. The total net circulation in Canada given in the present *Memorandum* is composed of: (*a*) all the small Dominion notes plus (*b*) the banknotes, less those held by the Banks.

Since the embargo on the export of gold in the United Kingdom was abolished in practice at the end of April 1925, the question of adopting a similar policy has been discussed in Canada. The exchanges have been practically at par since the middle of 1924, and though the prohibition to export gold is still formally maintained, a liberal policy is followed by the Dominion Treasury in granting export licences. The Dominion notes remain inconvertible.

Foreign assets of the Chartered Banks:

The composition of the foreign assets reserve in group III (*b*) of Table 33 above is shown below:

	$ (000,000's omitted)										
End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Foreign banknotes	2.6	9.6	13.5	34.4	29.8	24.5	29.1	27.4	25.–	25.3	29.3
Due from banks and banking correspondents:											
In the United Kingdom	9.3	13.9	18.4	23.6	13.4	9.8	8.5	6.9	7.1	7.6	9.3
Elsewhere	25.6	43.2	60.8	82.3	62.3	61.6	55.7	49.6	71.6	81.–	70.–
Call and short-term loans abroad	116.–	150.2	172.2	211.5	169.9	185.6	175.7	208.3	176.8	148.9	187.2
Other current loans and discounts abroad	58.3	119.2	169.–	184.5	145.3	157.7	171.3	179.5	181.5	185.2	184.6
Total	211.8	336.1	433.9	536.3	420.7	439.2	440.3	471.7	462.–	448.–	480.4

The foreign banknotes are mainly of the United States, and the third and fourth items of the statement above consist mainly of balances and call and short (not exceeding 30 days) loans in New York, which rank among the most liquid assets of the Banks. In addition to the above assets, the Banks hold certain amounts of "British, foreign and colonial public securities" which, however, in the official returns, are not shown separately from their holdings of Canadian municipal securities and are included under V (*b*) of the table.

The above amounts do not represent a net reserve. The Banks' liabilities in foreign currency included under XIV (*b*) in the table were as follows:

$ (000,000's omitted)

End of	1913	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Due to the banks and banking correspondents:											
In United Kingdom	12.8	4.4	5.5	3.9	8.2	8.5	4.5	5.5	6.2	5.8	7.3
Elsewhere abroad	8.3	23.8	33.9	29.2	30.2	30.1	29.6	30.6	29.6	35.6	27.3
Deposits abroad	103.4	206.8	275.3	356.8	270.7	288.4	299.8	336.3	340.8	355.7	333.5
	124.5	235.–	314.7	389.9	309.1	327.–	333.9	372.4	376.6	397.1	368.1

The last item in the above statement would appear to represent mainly deposits with the foreign branches of the Chartered Banks, whereas the two last items in the preceding statement consist chiefly of the loans and discounts of these branches. The sums given in Table V (Vol. I) represent the net reserves in foreign currency after deducting the above liabilities.

Investments, discounts, loans and advances of the chartered banks:

The sums shown under V (*a*) in Table 33 represent the Banks' investments in Dominion Government and Provincial Government securities. No loans to the Dominion Government were outstanding on the various dates given in the table, the sums shown under VI (*a*) representing loans to Provincial Governments only.

The investments in group V (*b*) of the table include, in addition to the "Canadian municipal securities and British, foreign and colonial public securities" already mentioned, railway and other bonds, debentures and stocks. The discounts are not shown separately in the official returns, but are included in the loans and advances shown under VI (*c*) in the table. (For details as to the composition and character of these loans and advances, as well as of the deposits accounts in groups XIV and XV of the table, see *Memorandum on Central Banks* 1913 and 1918-1923, pages 129-133.)

UNITED STATES OF AMERICA

Table 34

UNITED STATES

ACCOUNTS	1918	1919	1920
ASSETS.			
I. Metallic Reserve at home	2,097.0	1,940.7	2,173.5
(*a*) Gold	2,086.3	1,931.5	2,059.5
(*b*) Silver and Token coins	10.7	9.2	114.0
II. Other items of a Reserve or Cash Nature	48.7	49.8	76.9
III. Assets in and Claims on Foreign Countries	12.6	132.5	4.4
(*a*) Gold Deposits abroad	5.8	131.3	3.3
(*b*) Book Balances and Credits abroad	6.8	1.2	1.1
IV. Commercial Bills	2,052.7	2,789.4	2,947.8
(*a*) Inland	—	—	—
(*b*) Foreign	—	—	—
V. Securities and Investments	238.6	300.1	287.0
(*a*) Government	238.6	300.1	287.0
(*b*) Other	—	—	—
VI. Loans and Advances	—	—	—
(*a*) to the Government	—	—	—
(*b*) on Government securities	—	—	—
(*c*) Other	—	—	—
VII. Sundries (including Premises, etc.)	836.1	1,111.2	793.1
VIII. Total Assets	**5,285.7**	**6,323.7**	**6,282.7**
LIABILITIES.			
IX. Capital	80.8	87.4	99.8
X. Reserve Funds	1.1	81.1	164.8
XI. Profit and Loss and Dividends Accounts	49.0	42.7	79.7
XII. Notes in circulation	2,778.1	3,269.4	3,552.9
XIII. Post Bills, Cheques, etc., in circulation	—	—	—
XIV. Current Accounts	1,812.6	2,021.9	1,828.3
(*a*) Government	71.6	31.0	24.7
(*b*) Other	1,741.0	1,990.9	1,803.6
XV. Other Deposits	557.2	806.3	533.3
(*a*) Government	—	0.2	15.2
(*b*) Other	557.2	806.1	518.1
XVI. Sundries	6.9	14.9	23.9
XVII. Total Liabilities	**5,285.7**	**6,323.7**	**6,282.7**

F AMERICA

Table 34

FEDERAL RESERVE BANKS

Position in $ (000,000's omitted) at the end of

1921	1922	1923	March 1924	June 1924	Sept. 1924	December 1924
2,947.4	3,047.4	3,080.0	3,122.9	3,155.6	3,069.2	2,936.5
2,875.0	3,047.4	3,080.0	3,122.9	3,155.6	3,069.2	2,936.5
72.4	?	?	?	?	?	?
62.8	129.5	141.2	151.2	169.8	130.1	173.1
0.7	—	—	—	—	—	6.0
—	—	—	—	—	—	—
0.7	—	—	—	—	—	6.0
1,289.6	889.9	1,077.7	684.8	395.2	351.7	701.2
—	—	—	—	—	—	—
—	—	—	—	—	—	—
234.1	436.2	133.7	257.3	431.1	576.6	542.3
233.7	436.2	133.6	257.3	429.8	574.6	540.2
0.4	—	0.1	—	1.3	2.0	2.1
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
621.3	749.0	633.8	634.7	639.1	684.5	737.3
5,155.9	**5.252,0**	**5,066.4**	**4,850.9**	**4,790.8**	**4,812.1**	**5,095.4**
103.2	107.3	110.1	110.8	111.4	112.0	112.0
213.8	218.4	220.9	220.9	220.9	220.9	217.8
24.6	—	—	—	—	—	—
2,493.1	2,398.6	2,247.2	1,983.1	1,843.9	1,729.9	1,862.1
—	—	—	—	—	—	—
1,819.2	1,973.5	1,959.6	2,007.1	2,108.5	2,195.9	2,310.7
40.0	10.7	38.1	75.2	52.1	46.9	51.2
1,779.2	1,962.8	1,921.5	1,931.9	2,056.4	2,149.0	2,259.5
488.0	544.8	516.8	513.8	490.8	540.9	584.7
40.8	—	—	—	—	—	—
447.2	544.8	516.8	513.8	490.8	540.9	584.7
14.0	9.4	11.8	15.2	15.3	12.5	9.1
5,155.9	**5.252.0**	**5,066.4**	**4,850.9**	**4,790.8**	**4,812,1**	**5,096.4**

UNITED STATES OF AMERICA

NOTES.

Federal Reserve Banks:

By the Federal Reserve Act (approved December 23rd, 1913) a regional reserve bank system was established in the United States. There are 12 Federal Reserve Banks located in various sections of the country. Each such bank acts as a central bank for the commercial banks of its section, the latter being the sole shareholders of the reserve bank. Although the various reserve banks are formally independent of each other, they are under the direction of a common central authority, the Federal Reserve Board in Washington. This board consists of two *ex-officio* members: the Secretary of the Treasury (Minister of Finance), who acts as the Chairman of the board, and the Controller of the Currency; and, in addition, five members appointed for a period of 10 years by the President of the United States on the advice and with the consent of the Senate. At least two of these five members must be "experienced in banking and finance". The Federal Reserve Board appoints three of the nine directors of each Federal Reserve Bank, the six remaining directors being in each case elected by the member banks. Three of these directors are representatives of the member banks, whereas the remaining three must be men who are actively engaged in their respective districts in agriculture, commerce and industry. The three directors appointed by the Federal Reserve Board cannot be officers, directors or stockholders in any bank, one of them being Chairman of the Board of Directors of the Federal Reserve Bank and at the same time "Federal Reserve Agent" of the Federal Reserve district, another of these three directors being his substitute. The Chairman of the Board of Directors is required to be a person of "tested banking experience".

Besides the Federal Reserve Board, there is a Federal Advisory Council consisting of 12 members appointed by the Boards of Directors of the 12 Federal Reserve Banks. This council is convoked by the Federal Reserve Board at least four times a year. As indicated by the name, it has only an advisory vote.

The main function of the Federal Reserve Board is to control the operations of the reserve banks and, in general, to see that the Federal Reserve Act is properly applied. It may "examine at its discretion the accounts, books and affairs of each Federal Reserve Bank and of each member bank and require such statements and reports as it may deem necessary". The Federal Reserve Board does not interfere in the details as regards the discount operations of the Federal Reserve Banks, but it lays down the rules to be followed by them and is given large powers in matters of general policy. The power of issuing Federal Reserve notes under the Act is thus entirely in the hands of the board. In view of the unified working and the strict centralisation in all essential matters, the Federal Reserve organisation as a whole corresponds closely to the central banks in other countries.

Metallic reserves:

Since July 1922 the form of the monthly circulation Treasury statement, in which are shown gold stocks, has been changed. In order, therefore, to obtain a comparable series, the gold stocks for previous years are shown in Table IV (Vol. I) in a form which differs from that used by the U.S. Treasurer in his previous yearly reports. The gold stocks are classified as follows:

I. *Treasury gold*, including:

(*a*) Gold held as assets of the Government, which consist of:

1. Gold held against United States notes ("greenbacks"), which amounts to $152,979,025.63 and has not changed in amount since 1916. This reserve fund may also be used for the redemption of Treasury notes of 1890, which are secured dollar for dollar by standard silver dollars held in the Treasury;

2. Gold in the "General Fund". This general fund consists of gold, silver, notes, etc. Only the gold therein is shown in this table. Against the fund are liabilities for, *inter alia*, the deposits for redemption of National Bank notes and Federal Reserve Bank notes (5% Redemption Fund), Federal Reserve notes and the retirement of additional circulating notes according to the act of May 30th, 1908;

(*b*) Gold held in trust against gold certificates outstanding.

II. *The gold stock of the Federal Reserve Banks*, less: (*a*) the Gold Redemption Fund against the Federal Reserve notes, included under I (*a*) 2, and (*b*) the gold represented by the gold certificates in these Banks' reserve, included under I (*b*) above. For details as to the composition of this stock see below.

III. *Gold in circulation.* Under "gold in circulation" is included gold outside the Treasury and Federal Reserve system. Gold certificates are not included, as the gold held against them is comprised in I (*b*) above [1].

The composition of the *combined gold reserve of the Federal Reserve Banks* given in Table 34 above is as follows:

$ (000,000's omitted)

End of	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Gold with Federal Reserve Agents	1,264.–	1,238.6	1,277.9	1,872.7	2,166.9	2,104.3	2,082.7	2,118.1	2,031.4	1,702.3
Gold redemption fund with U. S. Treasury	85.5	119.4	162.4	105.1	54.3	58.7	56.9	38.5	34.7	41.2
Gold settlement fund with F. R. Board	398.4	338.7	357.3	522.5	554.4	571.1	605.9	579.5	603.5	679.5
Gold bullion and coin held by Reserve Banks	101.2 [2]	248.– [2]	140.3 [2]	115.1	271.8	345.9	377.4	419.5	399.6	513.5
Gold certificates held by Reserve Banks	243.–	118.1	124.9	259.6						
Total	2,092.1	2,062.8	2,062.8	2,875.–	3,047.4	3,080.–	3,122.9	3,155.6	3,069.2	2,936.5

The gold held by the Federal Reserve Agents, who are the local representatives of the Federal Reserve Board in the various reserve districts, and the gold deposited for redemption purposes with the U.S. Treasury serve exclusively as legal cover for the Federal Reserve notes in circulation. As mentioned below, the Federal Reserve notes are convertible into gold on presentation at the Treasury in Washington. The gold deposited with the Treasury (*cf.* I (*a*) 2 above) by the Reserve banks to serve that purpose must be at least 5 per cent of the total amount of the Federal Reserve notes issued less the amount of gold held by the Federal Reserve Agents as collateral security for these notes.

The "gold settlement fund with the Federal Reserve Board" is kept in the Treasury by this board in trust for the Federal Reserve Banks for the purpose of settling the "inter-accounts" of these banks, *i.e.* the gold it contains is transferred from one Federal Reserve Bank to another or to or from the Treasurer of the United States by means of debits and credits on books kept by the Federal Reserve Board. This gold is counted as lawful reserve money against Federal Reserve notes or deposits.

Since the end of 1921, the Federal Reserve Board has not published any detailed statements giving separately the gold and the gold certificates held in the vaults of the Federal Reserve Banks against deposits and Federal Reserve notes. The gold represented by the gold certificates is kept in the United States Treasury (*cf.* I (*b*) above).

The sums shown up to the end of 1921 under the heading "Silver and token coins" in Table 34 consisted of silver certificates and silver coins. These items are not shown separately in the Federal Reserve Board's statements referring to the subsequent dates given in the table, but form part of the other legal reserve items included in group II of the table as shown below:

$ (000,000's omitted)

End of	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Other legal reserve items	48.7	49.8	76.9	62.8	129.5	88.9	100.1	115.8	86.9	110.5
"Non-reserve cash"	—	—	—	—	—	52.3	51.1	54.–	43.2	62.6
Total	48.7	49.8	76.9	62.8	129.5	141.2	151.2	169.8	130.1	173.1

These other reserve items include, in addition, legal tender notes (*i.e.* State notes). The "non-reserve cash" was shown for the first time in the weekly returns in the beginning of 1923. There is no statement available showing the detailed composition of this account, but it would appear to consist of National Bank notes which are not legal tender [3].

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[1] The figures of gold for the United States published in the League of Nations *Monthly Bulletin of Statistics* differ from those published here: (1) by excluding the amount of gold in circulation — that is, the amount outside the Treasury and Federal Reserve system; (2) by showing for the Treasury gold only the reserve against Government notes; (3) by including in the Federal Reserve system the gold certificates held therein and the gold redemption fund against Federal Reserve notes; (4) by excluding all gold held in trust against gold certificates.

[2] Including the gold deposits abroad shown separately under III (*a*) in Table 34. This gold constituted part of the legal gold reserve of the Banks.

[3] The "uncollected items", consisting mainly of promissory notes, cheques and bills in process of collection under the Federal Reserve clearing and collection system, which were included in this group in last year's *Memorandum on Central*

Foreign assets of the Federal Reserve Banks:

The Federal Reserve Board has not published any detailed statement since the end of 1921 giving separately the sums "due from foreign banks", shown under III (*b*) in Table 34. The $6 millions given at the end of December 1924 represent "foreign loans on gold". The foreign bill holdings of the Banks are not shown separately in the returns from which the table has been prepared. Judging from certain other statements giving monthly averages for bills discounted and bills purchased, however, these holdings form the greater part of the "bills bought in open market" shown separately in the detailed statement in the section on discounts, loans and advances.

Money circulation:

The notes of the Federal Reserve Banks form the main circulating medium in the United States. The circulation figures in Table 34 include the Federal Reserve Bank notes shown separately in Table III (Vol. I).

The *Federal Reserve notes* are obligations of the United States Government secured by all the assets of the Federal Reserve Banks issuing them. They are not legal tender, but are receivable for all taxes, customs, and other public dues and are convertible into gold on presentation at the Treasury in Washington and into gold or "lawful money" on presentation at any Federal Reserve Bank. They must be backed to the extent of 100 per cent by high-grade collateral specially pledged with the Federal Reserve Agents. This collateral may consist of "eligible paper" discounted, bills of exchange (endorsed by a member bank) and bankers' acceptances bought in the open market (*cf.* detailed statement in following section), and gold and gold certificates.

Each Federal Reserve Bank must keep a gold reserve of not less than 40 per cent against the Federal Reserve notes in actual circulation. In case of great emergency, the Federal Reserve Board may permit the ratio of the gold cover for these notes to fall below this limit, provided it imposes a graduated tax upon the amounts of the deficiency. Moreover, to meet extreme emergencies, the board is authorised "to suspend for a period not exceeding 30 days, and from time to time to renew such suspension for periods not exceeding 15 days, any reserve requirements" specified by the Federal Reserve Act.

The *Federal Reserve Bank notes* are bond-secured banknotes issued by the Federal Reserve Banks. They are essentially like National Bank notes. The law requires in both cases that, for the purpose of their redemption in Washington, a 5 per cent redemption fund be maintained by the issuing bank in the United States Treasury. They assumed temporarily a certain importance through the (Pittman) Act of April 23rd, 1918, under which they were issued against special one-year certificates of indebtedness in order to replace the silver certificates and silver dollars withdrawn from circulation in consequence of the sale of silver under that act in India. As will be observed from Table III (Vol. I), the Federal Reserve Bank notes had lost all importance by the end of 1922.

The *National Bank notes* are issued by the National Banks and secured by United States Government bonds and by a redemption fund in lawful money, as explained above. They are not legal tender.

The *United States notes* ("greenbacks") and the *Treasury notes of* 1890 are partly covered by a gold reserve which was fixed by law in 1900 at $150,000,000 and increased to $152,977,037 in 1915 and $152,979,026 in 1916. A limit was fixed to the circulation of "greenbacks" in 1878 of $346,681,016, which has remained in force ever since. The Treasury notes of 1890 which were originally issued in order to purchase silver are secured also fully by silver dollars.

The *gold certificates* are in fact warehouse receipts against gold held in the Treasury. They were made legal tender by an Act dated December 24th, 1919.

The *silver certificates* are secured by 100 per cent of silver dollars and are limited in amount. They are not legal tender.

For the purpose of the introduction table showing the movements in circulation and prices (Table F, Vol. I) the total money in circulation has been used in place of the total notes in circulation. These figures include, in addition to the notes and certificates given in Table III (Vol. I), the gold in circulation (as

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Banks, are included in the present *Memorandum* under "Sundry assets". They do not form part of the legal reserves as defined by the Federal Reserve Act and are not shown under "Earning assets" in the returns of the Federal Reserve Board. On certain dates they are more than outweighed by the "deferred availability items" representing mainly the liabilities arising from the clearing and collection system, which constitute the whole of the sums shown under XV (*b*) in Table 34.

shown in Table IV, Vol. I) and also silver dollars and subsidiary coins. The totals at the end of each year from 1913 to 1920 inclusive and at the end of each quarter for the last four years have been as follows:

$ (000,000's omitted)

End of 1913	3,447	31.III. 1921	5,150	31.III. 1923	4,656
„ „ 1914	3,545 *	30.VI. „	4,937	30.VI. „	4,730
„ „ 1915	3,909 *	30.IX. „	4,740	30.IX. „	4,850
„ „ 1916	3,916	31.XII. „	4,707	31.XII. „	4,951
„ „ 1917	4,256	31.III. 1922	4,449	31.III. 1924	4,813
„ „ 1918	5,105	30.VI. „	4,374	30.VI. „	4,755
„ „ 1919	5,312	30.IX. „	4,521	30.IX. „	4,806
„ „ 1920	5,645	31.XII. „	4,733	31.XII. „	4,993

* According to old circulation statements.

Owing to the alteration in the Treasury circulation statement referred to above, the figures in the foregoing table are not quite comparable for the whole period. The statistics have only been recalculated back to February 1917.

The 1913 figures are correct, as the Federal Reserve system was not then in force. It is believed that the 1914 figures, which are calculated according to the old system, are practically the same as they would be had they been calculated according to the new. The 1915 figure is, however, probably less reliable. The figure given for 1916 is that for February 1st, 1917, calculated according to the new method.

In addition to the money in circulation, the United States Treasury Department publishes each month a statement of the stock of all kinds of money. This statement includes for gold the totals given in Table IV (Vol. I); for silver, the total in circulation, both standard dollars and subsidiary coin, plus the quantity held in the Treasury; for notes, the total outstanding. The certificates are omitted, as the gold and silver held against them is included under "gold" and "silver". The figures for the same dates as given in the table immediately foregoing are as follows:

$ (000,000's omitted)

End of	Gold	Standard silver dollars	Subsidiary silver	U. S. notes	Federal Reserve notes	National and Federal Reserve Bank notes	Total
1913	1,924	566	178	347	—	758	3,773
1914	1,816	566	184	347	17	1,040	3,970
1915	2,312	568	189	347	215	771	4,402
1916	2,865	568	193	347	300	738	5,011
1917	3,040	568	218	347	1,350	732	6,255
1918	3,081	401	241	347	2,860	852	7,782
1919	2,788	288	249	347	3,296	993	7,961
1920:							
March	2,662	269	254	347	3,299	930	7,761
June	2,694	269	259	347	3,405	920	7,908 [1]
Sept.	2,705	270	262	347	3,594	959	8,137
Dec.	2,929	270	271	347	3,736	965	8,518
1921:							
March	3,100	272	271	347	3,266	926	8,182
June	3,295	289	271	347	3,001	894	8,097
Sept.	3,524	318	272	347	2,824	864	8,149
Dec.	3,657	357	272	347	2,782	867	8,282
1922:							
March	3,751	367	272	347	2,522	850	8,109
June	3,786	381	271	347	2,555	839	8,179
Sept.	3,874	403	271	347	2,669	825	8,389
Dec.	3,933	442	269	347	2,817	806	8,614
1923:							
March	3,969	475	269	347	2,598	797	8,455
June	4,049	492	269	347	2,677	769	8,603
Sept.	4,135	497	271	347	2,734	788	8,772
Dec.	4,247	498	277	347	2,822	786	8,977
1924:							
March	4,368	500	278	347	2,476	789	8,758
June	4,491	504	278	347	2,339	788	8,747
Sept.	4,548	506	277	347	2,230	785	8,693
Dec.	4,547	512	283	347	2,245	781	8,715

[1] Revised figure. As no revised figures for the other items are available, they do not add exactly to the total in the

The alteration made on July 1st, 1922, in the form of the monthly circulation statement, does not itself directly affect the total of the general stock of money. It does, however, affect the figures of the money held outside the Treasury and the "money in circulation" in the restricted sense of that expression to which allusion is made above. The considerations which have actuated the Treasury Department in making this change are explained in a special note issued in the statement of July 1st, 1922:

"In previous circulation statements, money held by the Federal Reserve Banks (other than money held by or for Federal Reserve Agents, and Federal Reserve notes held by the issuing banks in their own vaults) was included in the amount in circulation. Under that method of computing money in circulation, transfers of gold between a Federal Reserve Bank and a Federal Reserve Agent resulted in an apparent change in the amount of money in circulation, and there are instances where the circulation statement owing to such transfers showed a decline in money in circulation when, as a matter of fact, there had been an actual increase, and an increase when in fact there had been a decrease. The new form shows a *per capita* circulation on July 1st, 1922, of $ 39.87, whereas, under the form of statement heretofore used, it would have been $49.17.

"The revised form of statement, moreover, shows more clearly the distribution of money held in the Treasury and the amount of money held by or for Federal Reserve Banks and Agents. Certain changes have also been made in the column showing stock of money in the United States. The amounts of outstanding gold certificates and silver certificates have been inserted in this column but have not been included in the total, since the gold and silver held in trust against the certificates is included under gold coin and bullion and standard silver dollars respectively. Treasury notes of 1890 are still shown separately, but have not been included in the total, since standard silver dollars are held against them equal to 100 per cent of the amount of notes outstanding."

Discounts and investments of the Federal Reserve Banks — Open-market operations:

The loans and advances of the Federal Reserve Banks are granted exclusively in the form of discounts. In point of fact, simple advances are not made in the United States, where the banking accommodation mainly takes the form of promissory notes. These notes resemble a bank advance in that they, as a rule, depend on the sole credit of the borrower unsupported by any other name, but on the other hand they are re-discountable like a bill. The bill holdings shown in group IV of Table 34 were composed as follows:

$ (000,000's omitted)

End of	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Bills discounted secured by U. S. Government obligations	1,453.8	1,469.9	1,154.5	485.2	331.8	353.7	214.7	118.1	89.5	186.8
Other bills discounted	306.7	745.4	1,532.9	659.1	286.–	369.4	267.6	232.–	170.3	127.3
Total bills discounted	1,760.5	2,215.3	2,687.4	1,144.3	617.8	723.1	482.3	350.1	259.8	314.1
Bills bought in open market	292.2	574.1	260.4	145.3	272.1	354.6	202.5	45.1	91.9	387.1
Total bills on hand	2,052.7	2,789.4	2,947.8	1,289.6	889.9	1,077.7	684.8	395.2	351.7	701.2

Under Sections 13 and 14 of the Federal Reserve Act, the loan operations of the Federal Reserve Banks are limited to the discounting or re-discounting of "eligible paper", *i.e.* notes, drafts and bills of exchange drawn for "agricultural, industrial, or commercial purposes". The Federal Reserve Board has "the right to determine or define the character of the paper thus eligible for discount within the meaning of the Act". "Eligible paper" does not include "notes, drafts or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds or other investment securities, except bonds and notes of the Government of the United States."

The Federal Reserve Banks can lend only to their member banks, to the United States Government, and, subject to certain conditions, for periods not exceeding six months, in anticipation of the collection of taxes or the receipt of assured revenues, to States, counties, municipalities and other political subdivisions in the United States. The direct loans to the Federal Government are included in group V (*a*) of Table 34 and shown in detail below. Although the Federal Reserve Banks are allowed under certain restrictions to purchase bills of exchange and bankers' acceptances in the open market, they are not permitted to make loans to individuals, firms and corporations except through the intermediary of the member banks, *i.e.*, by re-discounting "eligible paper" endorsed by them. With the exception of agricultural notes and bills, the maturity of which must not exceed six months, a Federal Reserve Bank cannot discount for a member bank any paper which has longer than 90 days to run, exclusive of days of grace.

The law puts a limitation also upon the character of advances against member banks' notes. A Federal Reserve Bank may make advances to its member banks on their promissory notes for a period not exceeding

15 days, provided such promissory notes are secured by the deposit or pledge of bonds or notes of the United States or by notes, drafts, and bills of exchange or bankers' acceptances which are themselves eligible for re-discount or purchase under the Federal Reserve Act.

The discounts secured by Government obligations shown as first item in the detailed statement above correspond to the advances on Government securities, which in the case of most other banks included in the present *Memorandum* are given in group VI (*b*) of the table and represent more or less indirect advances from the Central Banks to the respective Governments.

As pointed out above, the Federal Reserve Banks are essentially bankers' banks. The Federal Reserve Act, however, confers upon them certain limited rights of dealing with the outside public. Thus, with a view to facilitating their control of the money market by making their discount rates effective and, at the same time, as a method of profitably employing their funds in times of easy money, the Federal Reserve Banks are allowed (under Section 14 of the Act) to buy and sell in the open market either at home or abroad commercial bills of exchange, bankers' acceptances and certain specified kinds of Government securities. These dealings, known as "open market operations", are reflected by the movements in the third item of the statement above and in the holdings of Government securities as shown in group V of Table 34. The detailed composition of these holdings was as follows:

$ (000,000's omitted)

End of	1918	1919	1920	1921	1922	1923	March 1924	June 1924	Sept. 1924	Dec. 1924
U. S. Bonds	27.9	26.8	26.3	32.5	209.3	29.5	18.8	22.5	37.1	75.3
U. S. Notes	9.3	0.1	0.1	17.7		87.–	176.7	308.6	397.7	349.4
U. S. Certificates of indebtedness	201.4	273.2	260.6	183.5	226.9	17.1	61.8	98.7	139.8	115.5
Total	238.6	300.1	287.–	233.7	436.2	133.6	257.3	429.8	574.6	540.2

The "United States notes" and "certificates of indebtedness" represent Government short-term securities (period of maturity up to one year) and correspond to the Treasury bills of other countries.

Deposits of the Federal Reserve Banks:

The Federal Reserve Banks are not allowed to receive deposits from the public and can accept deposits only from their member banks, from the United States Government, and, solely for the purpose of exchange or collection, from non-member banks or trust companies. The member banks are required, under the Federal Reserve Act, to keep their entire legal reserves in the form of deposits with the Federal Reserve Bank of their district. The minimum reserve required for the demand deposits, *i.e.* deposits payable within 30 days, varies according to the character of the banks from 13 per cent (for Central Reserve city banks) down to 7 per cent (for country banks), whereas a 3 per cent reserve is considered sufficient against time deposits with all categories of member banks. These reserve balances of the member banks constitute almost the whole of the sums given under XIV (*b*) in Table 34; the rest of these sums consist of deposits of certain non-member banks and the foreign banks of which the Federal Reserve Banks are the American correspondents, and, up to the end of 1921, of "deposit credits" of certain foreign Governments.

The Federal Reserve Banks are required, under the Federal Reserve Act, to keep a reserve in gold and "lawful money" of at least 35 per cent, against the deposit liabilities (Government, member bank, and other deposits) shown in this group of Table 34.

(For details concerning capital, reserve funds and profits, etc., of the Federal Reserve Banks, see *Memorandum on Central Banks*, 1913 and 1918-1923).

SOUTH AND CENTRAL AMERICA

ARGENTINE

The monetary system of the Argentine is based on the " peso oro " of 1.6129 grammes of a standard of nine-tenths of fine gold created by National Law No. 1130 of November 5th, 1881. The subsequent depreciation of the notes representing the " peso oro " led to the passing of the Conversion Law No. 3871 of November 4th, 1899, by which the value of the notes in circulation was fixed at 44 % of the peso oro and a *Caja de Conversion* under the control of the Ministry of Finance for the exchange of notes against gold at that ratio was set up.

By Laws No. 9481 of August 9th, 1914, and No. 9506 of September 30th, 1914, the convertibility of the notes was suspended. The Conversion Office was also authorised to issue an emergency currency but did not use this power.

In addition to the Conversion Office, the Bank of the Argentine Nation (whose Directors are nominated by the Government subject to the approval of the Senate) had, by the Conversion Law, been required to hold a Conversion Fund in gold, to which the Government contributed from time to time. This fund had reached the total of 30 million gold pesos in 1910, at which figure it stood at the outbreak of the war. It was originally intended to supplement the gold holdings of the Conversion Office in order to secure cover for all notes outstanding at the legal ratio of 44 centavos gold for every paper peso, but on August 9th, 1914, it was placed at the free disposal of the Bank. By November 1923, the Bank had used 20 out of the 30 millions available. On November 23rd, 5.6 millions were utilised by the Government for the services of the public debt abroad, and in the beginning of 1924 the remaining 4.4 millions. As a result, in considering the percentage which the gold of the Conversion Fund constitutes of the note circulation, 10 millions have been added to the reserves of the Conversion Office up to the September quarter 1923, and 4.4 millions for the last quarter of 1923.

Of the 10 million gold pesos used by the Government for the service of the public debt, 5 millions were paid back to the Bank early in 1925.

Gold deposited in foreign countries to the order of the Legations is, by Law No. 9480 of August 9th, 1914, counted as part of the gold holding of the Conversion Office, and notes have been issued against such deposits.

The composition of the gold reserve held by the Conversion Office was modified in the autumn of 1923 as the result of a decision of the Government, taken at the beginning of September, to authorise the *Banco de la Nación* to liquidate the gold balances still available at the Legations, which amounted to 4,123,158 gold pesos. In accordance with this authorisation the Bank utilised at the end of 1923 the entire gold deposited at the Legations and gave in exchange an equal quantity of gold from its own holdings in exchange for the corresponding bonds. The prohibition to export gold remained in force.

Owing to the liquidation of that part of the Conversion Fund held by the Legations and by the *Banco de la Nación*, the figures given in Table IV for the gold holdings of the Conversion Office represent, for 1924, the total Conversion Fund.

By the Budget Law for 1924, shipments of gold were effected with a view to meeting the foreign debt service; this Fund was thus gradually diminished and a corresponding amount of notes withdrawn from circulation.

On February 19th, 1925, the Government issued a decree authorising gold to be deposited up to May 1st, 1925, with the Legations in countries where the export of gold is not forbidden. Notes have been issued by the Conversion Office against these deposits. These deposits may be withdrawn under the following conditions: 40 % within 90 days, a further 30 % within the following month, and the final 30 % within the fifth month. Gold which has not been withdrawn in time becomes the property of the Conversion Office.

On March 9th, 1925, the *Banco de la Nación* was authorised to receive gold in deposit against delivery of paper currency.

There are, in addition to the legal issues of notes, considerable quantities of provincial *Bonos del Tesoro* issued by certain provinces. It is understood that steps have been taken to prevent the issue of such local currency and to recall the sums already in circulation.

In June 1924, the Government presented to the Congress a bill for a currency reform. According to this bill this new unit of currency is to be the *nacional* of 0.32258 gramme of gold, 900/1000 fine, equal to $\frac{1}{5}$ of the present gold peso or $\frac{1}{2.2}$ paper pesos. Gold is to be full legal tender and freely minted, and silver and nickel, legal up to 10 and 5 nacionals respectively for each payment, each to a maximum of 3 nacionals per head of population.

According to the same bill, the Conversion Office is to become the issue department of the *Banco de la Nación*. The notes of the Bank, also to be legal tender, have to be covered by not less than 50 % in gold, 15% in Government securities, and 15 % in commercial bills. The Conversion Fund, to be taken over by the Bank, will derive its revenues from 2 % of the Customs duties, 50 % of the profits of the Bank, 5 % of the taxes on most of the articles of consumption and 20 % of the proceeds of sale and lease of State lands. These payments to the Fund are to be effected as long as the gold fund does not attain 70 % of the circulation. Out of the outstanding issue of the Conversion Office 750 millions are to be converted within two years into new bank-notes and 247.9 millions into gold coin. The nickel and copper coins amounting to 20 million pesos will be exchanged for new nickel coins. The period for the conversion will be fixed by the Government and the moment of the redemption of the notes in gold by the Bank. This bill has not yet been passed by Congress.

By a Decree of May 12th, 1925, the export of gold was permitted from June 10th, but the Conversion Office remains closed.

BOLIVIA

Since 1908 the currency system in Bolivia has been based on a gold standard, no Bolivian gold coins having, however, been minted. By the Law of December 31st of that year the British gold pound sterling and the Peruvian pound were made unlimited legal tender at the rate of one pound to 12½ bolivianos. By the same law the Government was authorised to issue up to the value of four million bolivianos in silver and one million in nickel. There is, however, no gold or silver now in actual circulation.

It is estimated that in 1914 gold coin at the value of over 2½ million bolivianos left the country.

Since 1911 there have been three banks with the right of issue: the *Banco de la Nacion Boliviana*, the *Banco Nacional de Bolivia* and the *Banco Mercantil*. According to the Banking Law of 1911, they must keep a gold reserve of 40% of the note circulation, which may not exceed 150% of the paid-up capital. The first-mentioned of these three banks was founded in 1911 as a semi-governmental institution and, by a Law passed on January 1st, 1914, was given the sole right of note issue for a period of 25 years, the other banks being obliged to withdraw their notes in circulation by July 1st, 1916. This law was, however, subsequently modified on November 23rd, 1914, and the banks were given up to December 31st, 1924, to liquidate their outstanding notes.

After the outbreak of war, gold, silver and nickel coin tended to disappear from circulation and, by a Law dated October 24th, 1914, banks were relieved of their obligation to meet their notes in gold.

As the banks had a considerable credit balance abroad, the Government endeavoured to import gold into the country and to restore the convertibility of notes in gold. No gold could, however, be imported during the war, except £60,000 received from the United States in March 1918. An agreement was, however, reached, according to which these credits were converted into gold and deposited with the New York Federal Reserve Bank, to be kept there until three months after the signing of the peace treaty.

By a Law dated July 15th, 1920, the *Banco de la Nacion Boliviana* was authorised to issue notes in small denominations up to a value of half a million bolivianos and, by a subsequent Law of the 24th of the same month, the *Banco Nacional de Bolivia* was authorised to issue notes of small denominations up to 600,000 bolivianos, which were to replace notes which had been withdrawn from circulation or were worn out. In 1921 the limits of note issues of the *Banco de la Nacion* were, however, restricted by the Law of May 17th, a tax of 5% being charged for notes issued beyond 150% of the paid-up capital (*i.e.* beyond 33 millions).

A Law of December 31st, 1919, made the United States gold coin legal tender at 38.93 cents per one boliviano.

Table 35 **BRAZIL** Table 35

ACCOUNTS	BANK OF BRAZIL — Position in milreis (000,000's omitted) at the end of						
	July 1923	Sept. 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
ASSETS.							
I. Metallic Reserve at home	293.2	293.2	300.0	300.0	300.0	316.6	331.6
(*a*) Gold	293.2	293.2	300.0	300.0	300.0	316.6	331.6
(*b*) Silver and Token coins	—	—	—	—	—	—	—
II. Other items of a Reserve or Cash nature	118.0	94.4	148.1	121.0	134.6	120.9	114.0
III. Assets in and Claims on Foreign Countries	125.4	148.8	187.7	175.7	256.7	240.9	308.3
(*a*) Gold Deposits abroad	6.8	6.8	—	—	—	48.8	48.8
(*b*) Book Balances and Credits abroad	118.6	142.0	187.7	175.7	256.7	192.1	259.5
IV. Commercial Bills	495.2	606.9	786.0	738.7	459.4	536.5	643.2
(*a*) Inland	477.0	588.7	778.5	730.3	449.3	527.7	636.0
(*b*) Foreign	18.2	18.2	7.5	8.4	10.1	8.8	7.2
V. Securities and Investments	70.6	70.6	67.6	67.7	65.5	72.4	72.5
(*a*) Government	—	—	—	—	—	—	—
(*b*) Other	—	—	—	—	—	—	—
VI. Loans and Advances	782.5	807.1	777.4	806.0	765.2	918.4	774.4
(*a*) to the Government	572.0	584.2	534.7	588.3	526.4	639.6	500.0
(*b*) on Government securities	210.5	222.9	242.7	217.7	238.8	278.8	274.4
(*c*) Other							
VII. Sundries (including Premises, etc.)	213.6	288.2	367.0	308.8	345.4	423.8	405.5
VIII. Total Assets	**2,098.5**	**2,309.2**	**2,633.8**	**2,517.9**	**2,326.8**	**2,629.5**	**2,649.5**
LIABILITIES.							
IX. Capital	100.0	100.0	100.0	100.0	100.0	100.0	100.0
X. Reserve Funds, etc.	70.0	70.0	90.0	90.0	100.0	100.0	104.6
XI. Profit and Loss and Dividends Accounts.	1.4	1.0	10.9	1.1	10.9	1.2	11.0
XII. Notes in circulation	40.0	180.0	389.0	377.2	414.3	707.9	726.9
XIII. Post Bills, Cheques, etc., in circulation.	16.0	8.4	10.0	6.2	5.1	14.5	14.6
XIV. Current Accounts	919.5	859.6	873.1	830.6	934.3	856.5	808.4
(*a*) Government	—	—	—	—	—	—	—
(*b*) Other	—	—	—	—	—	—	—
XV. Other Deposits	934.2	1,056.7	1,123.1	1,043.0	741.7	810.1	854.9
(*a*) Government	408.2	408.2	408.2	408.2	20.9	6.0	43.9
(*b*) Other	526.0	648.5	714.9	634.8	720.8	804.1	811.0
XVI. Sundries	17.4	33.5	37.7	69.8	20.5	37.3	29.1
XVII. Total Liabilities	**2,098.5**	**2,309.2**	**2,633.8**	**2,517.9**	**2,326.8**	**2,629.5**	**2,649.5**

BRAZIL

NOTES.

Reorganisation of the Bank of Brazil:

At the end of 1922, proposals were put forward aiming at the transformation of the Bank of Brazil, which, apart from its functions as fiscal agent of the Government, was a purely commercial bank, into a central bank of issue. These proposals resulted in a Decree of January 8th, 1923, under which new Statutes were drawn up, and a Contract dated April 24th, 1923, was concluded with the Government conferring upon the Bank the right of note issue and fixing the relations between the Federal Treasury and the Bank.

The Bank of Brazil still remains a commercial bank dealing directly with the public. It may undertake every sort of banking business, but it may not buy or hold real estate not required for its own use, or subscribe to or buy securities for its own account. Moreover, it may not, as a rule, discount bills and similar commercial documents which have more than four months to run. The previous Mortgage Department of the Bank has been separated from the other departments and transformed into a *National Mortgage Bank* under the control of the Bank of Brazil, and the Re-discounting Department, mentioned below in the section on note circulation, was put into liquidation at the time of the general reorganisation of the Bank.

In July 1923, the Bank began to issue notes.

Under the new rulings, the Bank of Brazil is administered by a Board of Directors composed of the President, the directors of the four departments (Issue, Exchange, Commercial and Branches) and three other members. The President and the directors of the Issue and Exchange Departments are appointed by the President of the Republic and may be dismissed at his discretion. The remaining five directors are elected by the shareholders, to hold office for four years. Half the capital is held by the Federal Government. The President of the Bank has the right to veto any decision of the Board of Directors or any other authority of the Bank.

Metallic reserve:

Before the war the State gold reserve was deposited with the *Caixa de Conversão* as security for its note circulation. This office was, however, liquidated later, and its gold holdings transferred to the *Amortisation Department of the Treasury* to form a guarantee fund for the total circulation of Government notes.

Under the Contract of April 24th, 1923, the Government transferred from its reserves to the Bank £10,000,000 sterling in repayment of 300,000,000 milreis (at the rate of £1 = 30 milreis) of the Government debt to the Bank, this gold to serve as cover for the banknotes to be issued. Of the above amount, £9,773,000 (293.2 million milreis at the above rate) were held in the *"Caixa de Amortização"*, the remainder being held on deposit in London (and shown under group III (*a*) of Table 35) until December 1923, when it would appear to have been transferred to the above Treasury department in Rio de Janiero. The gold reserve will remain on deposit with the Treasury provided that the Bank does not "consider it necessary to remove the gold to its own safes". The Bank "may not pledge the gold, export it from the country or use it for any other purpose than that of converting banknotes" (Article VIII (3) of the Contract). Moreover, if at the end of ten years the contract is not prolonged, the ownership of the £10 millions of gold reverts to the Government at the original price £1 = 30 milreis, the Treasury assuming the liability for an equal amount of notes in circulation.

The increase in the gold reserve in 1924 was due to the purchase of £554,832 of domestic produce and £500,000 in London. The Bank's holdings of subsidiary coins are not shown separately in its balance sheets; they are probably included in the "cash" carried to group II of the table.

Foreign assets of the Bank of Brazil:

The sums given under III (*b*) in Table 35 above are shown in the balance-sheets as due by "agents and correspondents abroad". These sums do not represent net balances, certain amounts being shown under the liabilities as due to "agents and correspondents abroad" (included under XIV (*b*) in the table). The Bank's net balances abroad on the dates given in the table were as follows:

Milreis (000,000's omitted).

End of July	1923 . .	105.5		End of March	1924. .	151.5
» » September	» . .	99.5		» » June	» . .	233.6
» » December	» . .	171.5		» » September	» . .	169.7
				» » December	» . .	244.5

These sums would appear to include the special "Gold Exchange Fund" to be formed under Article VI of the Contract of April 24th, 1923, by means *inter alia* of "an amount corresponding to the decrease of the value in paper money of the Bank's gold reserves *(activo em uoro metallico)* and Brazilian gold securities in relation to their purchase price" to be deducted from the gross profits for each half-year. Moreover, under Article XXII of the same contract, the Government engaged itself to transfer to the account of this fund, within one year, "Brazilian gold securities" to the nominal value of £1,451,400 sterling held on deposit in London. This transaction was to cover the increase of 33.5 million milreis in the Bank's capital required under the terms of that contract. The "Gold Exchange Fund", as is indicated by its name, is to be utilised for exchange operations and must be held on deposit in London and New York.

The foreign bill holdings of the Bank are shown under IV (*b*) in the table.

Indebtedness of the State to the Bank of Brazil:

The indebtedness of the Government to the Bank is not disclosed in the published balance-sheets. Articles XXIII to XXV of the Contract of April 24th, 1923, however, contain certain information on the subject. In addition to 500 million milreis due "on account of promissory notes at one year in conformity with the Contract of July 31st, 1922", the Treasury was indebted for 332.7 million milreis (277.9 millions thereof on current account and 54.8 millions on "special accounts") falling due on May 1st of the same year. The amounts of the debts on "special account" falling due *after* that date (see further below) is not stated, and no mention is made of the Government indebtedness to the Re-discounting Department of the Bank which was put into liquidation on the same date.

Paragraph (*b*) of Article XXIII reads as follows: "The Treasury shall continue to be debtor on promissory notes under the Contract of July 31st, 1922, to the extent of 500 million milreis and undertakes to make the relative payments on these when they fall due. If it is inconvenient for the Treasury to pay these sums in their entirety, it shall have the right to postpone payment of each note for a period not exceeding two years reckoned from the date on which they fall due, plus interest at the rate of 7 per cent per annum". These promissory notes were never shown separately in the returns of the Bank. Judging from the movements in the item "bills discounted" as given in these returns, however, no repayments were made during the period under review.

300 million milreis of the debt falling due on May 1st, 1923, were cancelled against the delivery of 10 million pounds sterling (at the rate of 30 milreis to the £) on the conditions already mentioned. The remainder was to be repaid on May 1st, 1924, together with 7 per cent interest. As cover for this claim, the Treasury handed over to the Bank a promissory note of 34.7 million milreis representing the balance of 32.7 million milreis plus one year's interest. This promissory note is shown as second item in the detailed statement below. At the end of June and the subsequent quarters of 1924 it has been excluded on the presumption that it was repaid on May 1st, although there is no information available stating that this has actually been done.

Under Article XXV of the Contract, the debts of the Treasury to the Bank "on special account" falling due *after* May 1st, 1923, were to be repaid on maturity, or, failing this, to be placed to the debit of the "Advances on the revenue account" shown as third item in the detailed statement below. These advances are governed by the following regulations contained in Article VII of the Contract of April 24th, 1923. "Each year the Bank shall open a current credit account in favour of the national Treasury up to an amount to be fixed by the Federal Revenue Act and to be utilised in anticipation of the tax receipts. This credit must not exceed one-fourth of the revenue in paper money for the same year." The advances on this account are to be fully liquidated within the current year, and "the Bank shall not be under any obligation to open fresh credits on this account in the following year, unless the credits of the preceding year have been liquidated".

The various debts specified above which form the sums given under VI (*a*) in Table 35 are set out in detail below:

Milreis (000,000's omitted)

End of	July 1923	Sept. 1923	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Treasury bills discounted under the Contract of July 31st, 1922	500.–	500.–	500.–	500.–	500.–	500.–	500.–
Special Treasury bill held under the Contract of April 24th, 1923	34·7	34·7	34·7	34·7	—	—	—
"National Treasury — Advances on the Revenue Account", ...	37·3	49·5	—	53.6	26.4	139.6	—
	572.–	584.2	534·7	588.3	526.4	639.6	500.–

The above sums, however, do not represent the total State indebtedness to the Bank. There is, in addition, an unknown portion of Treasury bills included in the commercial portfolio shown under IV (*a*) in the table.

Note circulation:

Up to the outbreak of war, the Government Conversion Office *(Caixa de Conversão)* issued notes convertible into gold at the rate of 16d. per milreis, which rate had been in force since December 31st, 1910. Before that date the rate of exchange was 15d. per milreis. The law enforcing the new rate placed the Government under an obligation to accumulate in the *Caixa de Conversão* within five years a sufficient sum in gold to cover the difference in the value of the notes which resulted. The required sum amounted to approximately 19 million milreis. In addition to the circulation of the Conversion Office, inconvertible notes were issued by the Treasury. On December 31st, 1912, the inconvertible Treasury notes outstanding amounted to 607 million milreis and the convertible Conversion Office notes to 393 million milreis. At the outbreak of war the conversion of all notes was suspended and the greater part of the Conversion Office notes were gradually withdrawn and replaced by Treasury notes. At the end of 1919 the 19 million milreis of conversion notes were outstanding, a figure which had remained unchanged since the beginning of the war. But by the end of 1922 it had been reduced to 16 millions.

The above issues, though partly based on gold, were mainly of a fiduciary character. In the beginning of 1921, however, an attempt was made to introduce a new form of note issue on the basis of commercial paper. For this purpose a special *"Re-discounting Department"* was established with the Bank of Brazil on February 1st, 1921, and the Treasury was authorised to issue notes through this department up to an amount of 200 million milreis on security of bills of specially defined character re-discounted with it. The maximum limit for these issues was later raised to 400 million milreis. In point of fact, the Re-discounting Department became mainly an instrument for fiduciary note issue, as the greater part of the bills discounted with it were Treasury bills.

The total issue of Treasury notes and amounts issued through the Re-discounting Department of the Bank of Brazil at the end of each quarter of 1921 and 1922 were as follows:

Milreis (000,000's omitted)

	Treasury note circulation	Issue through Re-discounting Dept. of Bank of Brazil	Total
March 31st, 1921	1,819	42	1,861
June 30th, ,, ...	1,829	84	1,913
September 30th, ,, ...	1,913	148	2,061
December 31st, ,, ...	1,916	151	2,067
March 31st, 1922	1,918	22	1,940
June 30th, ,, ...	1,922	115	2,037
September 30th, ,, ...		160	
December 31st, ,, ...	1,890	336	2,226
April 14th, 1923		319	

By the Contract of April 24th, 1923, the Bank of Brazil acquired the exclusive right of note issue in Brazil for a period of 10 years; the Government note issue ceased and the Re-discounting Department entered into liquidation on the same date. For handling the note issue, a special Issue Department was established with the Bank under the administration of a Board of Issue composed of three active members and three substitutes. One of these members is appointed by and may be dismissed at the discretion of the Minister of Finance, another is chosen by the President of the Bank from the members of the Fiscal Committee and the third is nominated by the Governing Body of the Rio de Janeiro Chamber of Commerce, the same rules applying to each of the three substitutes.

Not less than one-third of the banknotes must be covered by gold (including certified gold deposits abroad) counted at the rate of 20 milreis to the £ (whereas the value in milreis of the gold reserve as shown in the balance-sheets and in group I (*a*) of the table is counted at the rate of £1 = 30 milreis) and the remaining two-thirds by commercial paper (bills, warrants, etc.) guaranteed by at least two firms of known solvency and maturing within not more than four or six months, according to the character of the security. The proportion of gold to commercial cover may be reduced in cases of extreme urgency by decree of the Executive, in which case, however, the Bank must pay a tax to the Treasury of 12 per cent per annum on the excess issue. A limit to such emergency issues of 200 million milreis was fixed by a later amendment (December 1924).

The notes issued by the Bank are legal tender and may be converted into gold at the rate of 20 milreis to the £ when the following three conditions have been realised:

(*a*) An exchange rate of 20 (or less) milreis to the £ (12d. per milreis or more) has been uninterruptedly maintained for not less than three consecutive years;

(*b*) The gold reserve of the Bank is equal to at least 60 per cent of the value of the note issues;

(*c*) The Federal Government declares, after an economic enquiry, that the economic conditions of the country render convertibility possible.

As soon as the exchange rate reaches the above level, the Bank may issue, in addition to its ordinary notes, gold certificates against "gold coin of legal currency held in deposit", these certificates likewise being legal tender.

Under the Contract of April 24th, 1923, the Bank of Brazil undertook the redemption of all paper money in circulation issued directly by the Treasury, and representing on that date 1,856.6 million milreis. The notes issued through the Re-discounting Department are not included in this figure. The amount of such notes outstanding on the above date when this department was put into liquidation was 399.3 million milreis. According to the regulations governing their issue, these notes were to be withdrawn automatically by the Bank on maturity of the covering paper (see further below). The redemption of the 1,856.6 million milreis of Treasury notes was to "begin in the half-year following that in which the balance-sheet of the Bank shows that the reserve fund has attained 100 million milreis".

This redemption is to be effected from a special "Redemption and Conversion Fund" to be formed from the dividends on the Government's share in the capital, the profits of the National Mortgage Bank, contributions to the Government due from the Bank under earlier contracts, after deducting an amount equal to the decrease in the paper value of the Bank's assets in gold bullion or Brazilian gold securities in relation to their purchase price, and the surplus profits of the Bank — after paying, *inter alia*, dividends up to 20 % on the share capital and 10 % of the net profits into the reserve fund proper of the Bank. In addition, the Government is to pay into the Redemption Fund each year a sum at least equal to that paid by the Bank from its surplus profits in the preceding year. When it is possible to buy gold at the rate of 12d. per milreis, the reserves thus accumulated must be converted into gold. Against the gold, banknotes may be issued, but one-third of these notes must be used to replace Treasury notes, which shall be returned to the Amortisation Office to be burnt. Until the exchange reaches the level desired, Treasury notes must be purchased direct and burnt.

The Bank's reserve fund reached the above figure of 100 million milreis at the end of June 1924, and in the second half of that year 12 million milreis of Treasury notes were withdrawn and burnt, whereby the Redemption Fund (included in the sums shown under XV (*a*) in Table 35), into which 55.9 million milreis had been paid by the end of the year, was reduced to 43.9 millions. These withdrawals were continued in the first half-year 1925. On the other hand, by a decree published on October 21st, 1924, the Government authorised the Bank to make use of its right of emergency issue up to an amount of 100 million milreis in view of the abnormal situation resulting from the revolutionary disturbances in São Paulo. The decree provided that this additional issue should be guaranteed by commercial paper bearing two signatures, representing its double value. These additional notes had been partly withdrawn by the end of April 1925.

With regard to the Treasury notes issued through the Re-discounting Department, no withdrawals had been made by the end of March 1924, and in April an agreement was concluded between the Bank and the Treasury under which the former was "exonerated" from the obligation of withdrawing these notes

and " in return" cancelled an equal amount of the Treasury s short-term indebtedness. This indicates that by that time the discounts serving as value for these notes consisted exclusively of Treasury bills. These were cancelled in connection with the Bank's liberation from the above redemption obligation, which accounts for the decrease between the end of March and June 1924 in the commercial portfolio as shown in group IV (*a*) of Table 35, the Treasury bills being included in that portfolio in the balance-sheets of the Bank. Since then the outstanding issue of the former Re-discounting Department would appear to be subject to the same conditions of redemption as the notes issued directly by the Treasury.

(For further details concerning the operations of the Bank of Brazil, see *Memorandum on Central Banks*, 1913 and 1918-1923.)

CHILE

The only notes now in circulation are those issued by the Government. They consist of:

(*a*) A fixed issue of 150,000,000 pesos.

(*b*) The issue of the *Oficina de Emisión* ("guaranteed notes"). According to the terms of the Law No. 2654 of May 11th, 1912, banks could obtain notes from the *Oficina* against a deposit of gold at the rate of 12 pence per peso. If the exchange were to rise above this rate, the amount of gold to be deposited could be increased. The amount of notes given to any bank could not exceed its paid-up capital. Owing to a rise in exchange during the war, the rate of issue was raised by the Law 3380 of May 22nd, 1918, to 18d. and this limitation of the right to obtain notes to the value of the paid-up capital of the banks disappeared. This law also permitted the deposit of gold by banks with certain Chilean Legations abroad and with first-class foreign banks.

(*c*) Treasury Notes *(Vales del Tesoro)* issued to banks and nitrate producers. The first issue to banks was made according to the Law of August 3rd, 1914, against mortgage bonds lodged. The notes to nitrate producers were issued in accordance with a Law of August 12th, 1914. The maximum amount was fixed at 4 pesos for every 46 kilogrammes of nitrate ready for exportation or 3 pesos per 46 kilogrammes ex-factory and the total issue could not exceed the amount corresponding to the value of 8,000,000 quintals of nitrate. By a Law of September 13th, 1921, the amount of notes which might be issued against nitrate ready for export was increased to 7.5 pesos per 46 kilogrammes, and to 6 pesos for nitrate ex-factory.

By a Law of November 12th, 1920, the Government was authorised to issue interest-bearing Treasury bills up to 30 million pesos, mainly with the object of withdrawing notes issued to nitrate producers. Treasury notes may be issued against a deposit of these bills by the banks.

By a further Law of July 15th, 1921, the Government was authorised to float two loans, one in gold and one in paper currency, mainly for fiscal purposes.

The subscribers of the gold loan were empowered to cash their scrip for "guaranteed notes", and the subscribers to the paper currency loan their scrip in exchange for "Treasury notes". In both cases such encashment involved a reduction of the rate of interest received on the scrip but not a loss of all interest. The quantity of Treasury notes, including those received in the past, was limited for each bank to 75 % of its paid-up capital.

The figures for notes in circulation given in Table III include old Government notes which are still outstanding to the amount of 853,000 pesos and for the years 1913 to 1918 a small amount of old bank-notes which ceased to circulate in 1918.

The gold stock of the Conversion Office is legally intended to serve for the redemption of the fixed issue only. In order to give figures comparable with those for the other countries, figures for the total circulation have been used when calculating the percentage reserves in the tables of the Introduction.

ACCOUNTS	BANK OF THE REPUBLIC Position in $ (000's omitted) at the end of					
	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924	March 1925
ASSETS.						
I. Metallic Reserve at home	1,926	2,037	5,681	6,656	7,360	10,829
(*a*) Gold	1,926	2,037	5,681	6,443	7,047	10,400
(*b*) Silver and Token coins	—	—	—	213	313	429
II. Other items of a Reserve or Cash nature	404	32	163	474	610	680
III. Assets in and Claims on Foreign Countries	5,532	6,901	8,443	11,759	16,231	16,371
(*a*) Gold deposits abroad	3,081	3,081	—	507	2,535	2,028
(*b*) Book Balances and Credits abroad	2,451	3,820	8,443	11,252	13,696	14,343
IV. Commercial Bills	—	—	—	—	—	—
(*a*) Inland	—	—	—	—	—	—
(*b*) Foreign	—	—	—	—	—	—
V. Securities and Investments	3,207	3,207	2,885	2,892	2,923	3,545
(*a*) Government	3,207	3,207	2,885	2,725	2,564	3,173
(*b*) Other	—	—	—	167	359	372
VI. Loans and Advances	2,450	2,669	3,206	3,578	3,475	3,015
(*a*) to the Government	550	550	—	—	—	—
(*b*) on Government securities	—	—	—	—	—	—
(*c*) Other	1,907	2,119	3,206	3,578	3,475	3,015
VII. Sundries (including Premises, etc.)	888	902	1,080	848	866	952
VIII. Total Assets	14,414	15,748	21,458	26,207	31,465	35,392
LIABILITIES.						
IX. Capital	5,750	5,771	7,264	7,342	7,415	7,488
X. Reserve Funds	—	14	60	60	60	60
XI. Profit and Loss and Dividends Accounts, etc.	—	52	214	198	343	536
XII. Notes in circulation	4,718	5,526	11,180	14,463	18,019	20,122
XIII. Post Bills, Cheques, etc., in circulation	—	—	—	—	—	—
XIV. Current Accounts	2,846	3,319	2,699	4,123	5,617	7,078
(*a*) Government	2,257	2,413	1,748	2,862	2,469	4,719
(*b*) Other	589	906	951	1,261	3,148	2,359
XV. Other Deposits	—	—	—	—	—	—
(*a*) Government	—	—	—	—	—	—
(*b*) Other	—	—	—	—	—	—
XVI. Sundries	1,100	1,066	41	21	11	108
XVII. Total Liabilities	14,414	15,748	21,458	26,207	31,465	35,392

COLOMBIA

NOTES.

Monetary conditions before the reform of 1923:

Since 1903 the monetary system of Colombia has been based on a gold standard. The unit of currency is the peso, equal to the United States dollar. The circulation consisted before the war of gold coins (Colombian, American and English), silver and nickel coins and paper currency. This paper currency consisted chiefly of depreciated Government notes, the nominal value of which amounted in 1913 to somewhat over 1 milliard paper pesos. These Government notes had been devaluated in 1905 at the rate of 100 paper pesos = 1 gold peso. During the war, particularly during the years 1917 and 1918, the Government withdrew the greater part of these old notes and replaced them by the so-called "gold notes" or by gold, at the rate of 100: 1. In 1919 practically the whole issue had been withdrawn, only 218,000 paper pesos still being in circulation. In that year the "gold notes" amounted to 10.1 millions. In addition, several other means of payment entered the circulation and were used as currency. As there are no reliable statements available of the actual amount of the various currencies in circulation before the reform in 1923, no figures have been given for Colombia in Table III (Vol. I) until June of that year.

Establishment of the Bank of the Republic:

In the beginning of 1923 a Commission of American experts was invited by the Government to draw up plans for a monetary and fiscal reform. This Commission proposed the establishment of a central bank of issue, modelled in the main on the Federal Reserve Banks in the United States. This proposal was embodied in Act 25 of 1923 passed on July 11th. The Bank, which is entitled "Bank of the Republic", was rapidly organised with a view to stopping a serious panic caused by the insolvency of one of the principal commercial banks, and started operations on July 23rd, 1923. The authorised capital is $10,000,000, one-half of which was subscribed by the Government, the other half being open for subscriptions by the commercial banks to the extent of 15 % of their paid-up capital and reserves as well as from the public. The Government shares were immediately paid up from the $25 millions received as an indemnity from the United States under the Treaty of April 6th, 1914, concerning the construction of the Panama Canal, and by the end of March 1925, $2,488,000 had been subscribed and paid by commercial banks.

The Board of Directors consists of ten members, of whom three are nominated by the Government and seven elected by the shareholders other than the Government, which has no right of vote in the assembly of the shareholders.

The principal immediate function of the Bank being the unification of the currency, the assets and liabilities and functions of the *Junta de Conversion* and the *Junta de Vigilancia* were transferred to it.

Money circulation and gold and foreign exchange reserves:

The estimated circulation of coins and notes at the end of June 1923 and 1924 is shown below:

$ (000's omitted)

End of	June 1923	Dec. 1923	June 1924
Specie:			
Gold coins	2,893	?	7,826
Silver coins	9,778	?	9,780
Nickel coins	2,000	?	2,000
Total coins	14,671	?	19,606
Paper currency:			
Notes of the Bank of the Republic	—	2,244	10,180
Treasury "cedulas" (2 %)	3,214	2,474	1,000
Total	3,214	4,718	11,180
Government "gold notes"	10,150	10,150	10,150
Government notes, old issues	211	210	210
Treasury "bonds"	5,091	4,838	4,255
Bank "cedulas"	4,096	3,893	3,163
Bank "bonds"	637	212	163
Total paper currency	23,399	24,021	29,121
Total circulation	38,070	?	48,727

Coins. No reliable estimate can be given concerning the additional circulation of foreign gold (and notes) and of old silver coins which, although no longer legal tender, are frequently used in some provinces. The silver and nickel coinage, according to general opinion, is in excess of the country's needs. The minting of such coins has therefore been stopped, and under the Bank Act it may not be resumed without the approval of the Bank of the Republic.

The Treasury cedulas are notes issued under Law 441 of March 26th, 1919, which bear interest at 2 % and are used as legal tender currency. Under its statutes the Bank of the Republic assumed the liability for these notes, which were to be withdrawn and redeemed either in banknotes or in gold. The amount outstanding on November 9th, 1923, thus assumed by the Bank was $3,206,881, in exchange for which the Government handed over to the Bank an equal amount of bonds bearing interest at 10 % (included in group V (*a*) of Table 36, this debt to be paid off in five years. The gradual withdrawal and exchange of Treasury cedulas for banknotes is shown in the following statement giving the composition of the circulation figures in group X of Table 36 above:

$ (000's omitted)

End of	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924	March 1925
Bank notes in circulation	2,244	3,737	10,180	13,851	17,566	19,787
Treasury cedulas	2,474	1,789	1,000	612	453	335
Total	4,718	5,526	11,180	14,463	18,019	20,122

The *Treasury Bonds* were issued under Law No. 6 and Decree 169 of 1922, up to a total of $6,000,000. They are being withdrawn through the intermediary of the Bank of the Republic by means of special funds supplied by the Government, but the Bank has not assumed any liability for them.

The *bank cedulas* are notes issued by the commercial banks under Law 51 of 1918 against deposit of various securities, commercial and agricultural bills, cash, etc. Under the Bank Act of 1923 these notes are to be withdrawn within four years, and the Bank of the Republic has made special contracts with the issuing banks to that effect.

The *bank bonds* issued by certain banks under the law of December 2nd, 1920, are likewise being withdrawn. By the end of June 1924, the responsible banks had set aside the necessary funds for withdrawing the balance then outstanding.

Under Act 25 of 1923, the Bank of the Republic has the exclusive privilege of issuing banknotes for 20 years, and no additional notes may be issued by any other public or private body during this period. It has to maintain a reserve in gold and gold exchange of not less than 60 % of the combined amount of the notes and 2 % Treasury cedulas in circulation and sight deposits (shown in group XIV of Table 36). Up to two-fifths of this reserve may be kept in the form of sight deposits payable in gold with foreign banks in the principal financial centres. These deposits are included under III (*b*) in Table 36.

According to Section 3*a* of Article 18 of the Statutes, a progressive tax has to be paid when the reserve falls below 60 %. The discount rate must be increased by at least one-half of the reserve deficiency tax and, if the reserve has been below 60 % for a week, to at least 8 %. The notes are not legal tender but are convertible into gold at the head office. In cases of emergency the redemption may be effected by means of drafts on New York or London.

The sight deposits shown under XIV (*b*) in Table 36 represent almost exclusively member banks' reserve balances. The Bank acts as fiscal agent of the State, the provinces and the communes.

Loans and discounts of the Bank of the Republic:

Act 25 of 1923 authorises the Bank to rediscount and buy commercial bills and promissory notes maturing in not more than 90 days and make advances on security of commercial documents for the same maximum period. It must not engage in operations for investment purposes or make discounts or loans on securities based on speculative transactions. It may discount promissory notes, acceptances, bonds and other obligations of the national, departmental and municipal Governments only for an amount not exceeding 30 % of the paid-up capital and the reserves, the Treasury cedulas referred to above not being counted in this percentage.

The discounts are not shown separately in the balance-sheets; but almost the whole of the sums given under VI (*e*) of Table 36 were advanced to member banks.

COSTA RICA

At the outbreak of the war there were four Banks of Issue in Costa Rica — namely, the *Banco de Costa Rica*, the *Banco Anglo-Costarricense*, the *Banco Mercantil* and the *Banco Comercial de Costa Rica*. The notes of these banks, with their 50% gold cover, were freely redeemable, the monetary system having been based since October 1896 on a gold standard with the *colon* as the monetary unit (778 milligrams gold, 0.900 fine = 46.53 U.S. cents). Besides these notes, both national and foreign gold coins, silver coins of 50 centimos and less, small token coins, and silver certificates of 1 and 2 colons were in circulation. The certificates, which, like the silver coins, were legal tender up to 50 colons, were freely redeemable in small silver coins and had a metallic cover of 100%.

On September 18th, 1914, bank-notes were made inconvertible and declared legal tender. By a Decree of October 6th, the banks were authorised to issue notes against Treasury bonds which were guaranteed by customs duties and alcohol taxes. On November 24th, 1914, the export of gold and silver was forbidden.

By a Decree of October 9th, 1914, the Government established a Bank of Issue — the *Banco Internacional*. According to this decree, the Board of Directors, although appointed by the Government, is entirely independent of the Government. The note issue of the bank was fixed at 4,000,000 colons and has a Government Guarantee. The net profits were to be exclusively used for the establishment of a gold fund. One-half of this statutory issue was to be put at the disposal of the Government and the other half was to serve for credits to industry, farmers, coffee exporters, etc.

It was intended that the Bank should have a temporary character for the duration of the crisis caused by the war.

In February 1915 the *Banco Comercial de Costa Rica* suspended payments, its assets and liabilities were taken over by the *Banco Internacional* and its notes were, as shown in the table below, gradually exchanged by it. An issue of 300,000 colons was made, in January 1918, by the *Banco Internacional* without legal authorisation and 10,000,000 were issued in accordance with a Decree of October 5th, 1918. By a Decree of June 28th, 1919, a further issue of 15,000,000 was authorised, but when the Government was replaced in September 1919 this decree was annulled on March 7th, 1920. The issue of notes which had, however, already been put into circulation was confirmed.

On July 10th, 1918, the Ministry of Finance authorised the *Banco Internacional* to issue bills of 1,000 colons which were treated as currency and included in the balance-sheets of the Bank under notes issued. Bills to the value of 2,499,000 colons were actually issued before 1920, when they were annulled by the new Government. To this fact is due the diminution in the note circulation from 1919 to 1920.

By the decree establishing the *Banco Internacional*, the private banks of issue were forbidden to use for other purposes the gold they held as reserve for their note circulation. Their notes were preferred by the public and hoarded and gradually disappeared from circulation. Silver began likewise to be hoarded and silver certificates were presented for redemption in ever-increasing quantities.

On June 22nd, 1917, their redemption was suspended, their reserve reduced from 100% to 40% and the surplus of cover utilised for guaranteeing the issue of new notes, called "silver notes", covered likewise to 40% of their face value. A Law of June 28th, 1918, provided for the conversion of the old silver certificates into these new silver notes; but in view of the refusal of the holders of these certificates to present them for conversion, a Law of October 5th, 1918, granted their redemption in gold at par. After three months, certificates outstanding were to be considered as silver notes and their reserve incorporated with the other metallic holdings of the Government. A further Decree of April 1st, 1921, allowed, however, for the payment of customs duties in these certificates at their gold value for a period of six months.

In accordance with a Law of September 7th, 1917, new silver coins, 0.500 fine, of 5, 10, 25 and 50 centimos were minted and declared legal tender up to 25 colons. At the same time the reserve of the silver notes was reduced to 500/1000 fine from 900/1000 used before. In spite of the reduction in the fineness, the silver coins were hoarded and disappeared entirely from circulation.

According to a Decree of April 1st, 1921, the three private banks were forced to redeem their notes in gold at par, whilst the notes of the *Banco Internacional* remained inconvertible.

On June 11th, 1921, the embargo on gold and silver was lifted, although the colon was still at a 50% discount.

By the Law of July 15th, 1921, private banks were deprived of the privilege of issuing notes and the *Banco Internacional* was recognised as the sole Bank of Issue. The other banks were to hand over to the *Banco Internacional* gold to an amount corresponding to the notes not presented for redemption. It would appear that this has not been done.

During 1922 the Government took further measures for the unification of the currency. A Law of May 7th, 1922, authorised the sale of the silver kept as reserve for silver notes and certificates which are being exchanged against notes of the *Banco Internacional*. In the meantime the silver reserve was handed over to the Bank and added to its reserves. On May 19th, 1922, the limit to the note issue of the *Banco Internacional* was raised by 4,282,000 colons with a view to converting the silver notes (3,272,000) and the notes of the *Banco Comercial*. The notes of the *Banco Comercial* were to be demonetised after a lapse of six months. The value of silver notes and bank-notes converted in accordance with that law amounted at the end of 1924 to 3,147,000 colons.

A Law of July 7th, 1923, provided for the reminting of silver coins at double their former nominal value, and for the withdrawal of an amount of silver notes equivalent to the additional silver coins issued.

Law No. 17 of October 10th, 1922, provided for the establishment of a Conversion Office — *Caja de Conversion* — within the *Banco Internacional*. This Office receives from the Government certain export taxes as well as other revenues. It issues to the *Banco Internacional* against these receipts notes freely redeemable in gold or drafts on New York at the fixed rate of 4 colons to 1 dollar. The colon has thus been devaluated to nearly one-half of its previous value. As soon as the funds supplied by the Government have attained 1.5 million dollars, the Bank will put into circulation the notes received from the *Caja* and withdraw a corresponding amount of its own unredeemable notes. Until the conversion has been carried out, neither the Government nor the *Banco Internacional* may issue notes, whether redeemable or not. The notes of the *Caja* will be received by all Government offices and institutions at their full value and at par with the notes of the *Banco Internacional*.

Besides the notes issued to the Bank, the *Caja* may issue freely redeemable notes directly to the public in exchange for gold or drafts on New York. The *Caja* has availed itself of this authorisation since March 25th, 1924. It would appear, however, that these redeemable notes are hoarded.

The figures given in Table III refer to the paper money in actual circulation since the war. The "State notes" represent the total of the notes of the *Banco Internacional* and the *Banco Comercial* in liquidation, notes held back by the Bank being deducted. The figures for silver notes represent the net circulation, notes held by the *Banco Internacional* being deducted.

The following statement shows in detail the various means of payment, whether in actual circulation or not:

Colons (000's omitted)

End of		3 Banks	Banco Internacional	Banco Comercial	Total State Notes	Silver Certificates	Silver Notes			Caja de Conversion
							issued	held by B. Intern.	Net Circulation	
1913		3604	—	1451	(1451)	906	—	—	—	—
1914		1975 [1]	2500 [2]	1812	4162	1014	—	—	—	—
1915		1561	3715	1812	5527	961	—	—	—	—
1916		3412	3724	1720	5444	858	—	—	—	—
1917		3723	3886	1585	5471	534	594			—
1918		2937	6064	1525	2589	160	3272			—
1919		1294	16954	1405	18359	154	3272			—
1920		1166	14422	1215	15637	154	3272	29	3243	—
1921	III	1144	14392	1185	15577		3272			—
	VI	252			15032	116	3272			—
	X		13847				3272			—
	XII					116	3272	48	3224	—
1922	III		14169				3272	20	3252	—
	VI	170	13714	1010	14724	116	3272	87 [3]	3185 [3]	—
	X		15539	631	16170			1011		—
	XII		15873			102	2406	841	1565	—
1923	III		16264					903		—
	VI	143	16123			102		954		(173)
	X		16308	485	16793		1809	869	949	
	XII	143	16008	485	16493	97	1102	645	457	(26)
1924	III									767
	VI		16878	454	17332	96	751	695	56	819
	X	125	16156	444	16600	96	724	694	30	1213
	XII		16668	438	17106	96	697			

[1] March 1915. Owing to a monetary crisis caused by the liquidation of the *Banco Comercial,* no figures were published at the end of 1914.
[2] 31. I. 1915.
[3] 30. V.

The circulation of debased silver coins amounted to 401,000 colons at the end of 1923, to 700,000 in June, to 835,000 in September and 987,000 at the end of 1924. Copper coin in circulation amounted at the end of the years 1918 to 1924 to 217,000; 315,000; 353,000; 450,000; 568,000; 610,000 and 500,000 colons respectively.

ECUADOR

Since 1898, the currency of Ecuador has been based on a gold standard, the gold monetary unit being the condor of 8.136 gr. gold of 900/1000 fine (equal to the pound sterling). The unit generally used is the sucre, which is one-tenth of the condor. Since 1908, gold coins of 5 and of 2 sucres have been minted.

There is no Central Bank of Issue, all existing banks being private undertakings and subject to the General Banking Law of September 12th, 1899, which regulates the conditions of issue. According to Articles 3 and 5 of this law, no bank may begin its operations without a reserve in gold coin equal to 50 % of its capital and in silver coin equal to 10 % thereof. The issue of notes may not exceed twice the amount of its capital nor the quantity in actual circulation twice the value of the gold in the possession of the bank.

There are at present six banks issuing notes, namely: the *Banco del Ecuador*, the *Banco Comercial y Agricola*, the *Banco de Descuento*, the *Banco del Pichincha*, the *Compañia de Credito Agricola e Industrial* and the *Banco del Azuay*. Of these banks, the *Banco de Descuento* and the *Compañia de Credito Agricola e Industrial* began operations in 1922 and 1921 respectively. Another bank — the *Banco Italiano* — was granted the right of issue at the end of 1924. The notes of the various banks do not circulate freely throughout the whole country, but as a rule tend to be confined to certain districts. There is at present no metallic circulation.

By Decrees dated August 6th and August 29th, 1914, the Government guaranteed the notes of the *Banco Comercial y Agricola* up to a limit of 5 million sucres and of the *Banco del Ecuador* up to a limit of 3 million sucres, these sums being equal to loans extended by the banks to the Government. At the same time the exchange of notes against gold was suspended and the export of gold prohibited.

By a Law dated October 28th, 1920, owing to the rise in the price of silver, the banks were empowered in future to substitute gold for the 10 % reserve which they had to maintain in silver, but they were forbidden to reduce their existing silver reserves.

In 1922 the *Banco de Descuento* started the issue of mortgage bonds of 5 sucres, which circulated like bank-notes. The issue of this mortgage currency was deemed to be contrary to the Banking Law and the Government prohibited therefore the issue of bonds under 100 sucres.

The amount of mortgage bonds issued has been as follows:

		Sucres (000's *omitted*).
June	1921	46
December	1921	246
June	1922	1,066
December	1922	1,255
June	1923	1,922
December	1923	2,035
June	1924	2,115
September	1924	2,150

At the end of 1924 the same Bank issued so-called "circular cheques" of 5 sucres to an amount of 499,000 sucres.

By a Decree of January 17th, 1925, the issue of such cheques, which had never been freely accepted by all banks, was prohibited and any cheques outstanding had to be withdrawn within thirty days.

GUATEMALA

From September 1870 to November 1924, the nominal unit of currency of Guatemala was the silver peso, weighing 25 grammes, 0.900 fine. Silver having, however, entirely disappeared from circulation, the actual currency used until the end of 1924 consisted entirely of domestic bank-notes and dollars and dollar notes, larger transactions being generally carried out in the currency of the United States.

The figures for notes in circulation given in Table III represent the net circulation of the following six banks of issue:

(1) *Banco Americano*; (2) *Banco de Occidente*; (3) *Banco Internacional*; (4) *Banco de Guatemala*; (5) *Banco Colombiano*; (6) *Banco Agricola Hipotecario*. The notes, which are covered chiefly by the Government debt to the banks, have not been convertible since 1898 and, in accordance with a convention made by the Government with the banks in 1899, need not be redeemed as long as the Government debt is not paid. The banks are not obliged to maintain any specific gold reserve.

Another fiduciary issue which, like the bank-notes, had full legal tender was made by the Government since 1898 through a so-called *Comité Bancario*. The greater part of this issue, which reached 6 million pesos, was withdrawn after 1914. At the end of 1923 only one million pesos were still outstanding. As, in spite of a Decree in 1921 fixing the value of the paper peso at two United States cents, the exchange continued to decline, a *Caja Reguladora* (Regulating Office) was created on September 14th, 1923, in order to stabilise the exchange and to prepare the way for a currency reform. The *Caja* was authorised to issue bonds up to 400,000 pesos, guaranteed by export duties on coffee. These bonds were accepted in payment of one-third of the export duties on coffee and were to be redeemed at the end of June 1924. The rest of the coffee export duties served as guarantee for another loan of 600,000 pesos to be used for exchange stabilisation. The funds given to the *Caja* having proved insufficient, the Government granted it further sums by a Decree of October 25th, 1923.

By a Law (No.1312) of May 5th, 1924, the Government was granted special powers and by a Decree (No. 879) of November 26th a currency reform was initiated, under which the new monetary unit is the "Quetzal", equal to one United States dollar. The value of the paper pesos was fixed at 60 to 1 quetzal, which corresponded to the actual exchange rate. Coins of the following values will be minted: 20, 10 and 5 quetzals in gold; 1, ½ and $^1/_4$ quetzal in silver and 5, 1 and ½ pesos in an alloy of copper and aluminium. Gold coins will be freely minted and unlimited legal tender. Silver coins will be minted to an amount of 2,000,000 quetzals and they are legal tender up to 10 quetzals for each payment. Subsidiary coins, which will be minted to an amount of 20,000,000 pesos, will be legal tender up to 60 pesos. All the coins will be accepted without limit for payment of taxes unless payment in gold is provided for by special laws. The Government may exceed the limit fixed for the issue of token coins, by issuing silver coins in exchange for gold and copper coins in exchange for gold and silver.

The *Caja Reguladora* is charged with the supervision of the total monetary circulation, until it becomes a Central Bank of Issue. The Minister of Finance becomes *ex officio* Chairman of the *Caja*, three members out of the seven constituting the Board will be appointed by the President of the Republic, two by the Banks of Issue, one by the Chamber of Commerce of Guatemala and one by the Farmers' Association.

By the same decree the banks are forbidden to issue further notes. The old notes will remain in circulation as full legal tender at the rate of 60 pesos = 1 quetzal until they are redeemed by the *Caja* or the Central Bank to be established later. The banks will not even have the right of replacing old notes by new ones, these functions being likewise passed to the *Caja*.

A gold reserve has to be established gradually for the redemption of the bank-notes. This reserve will be built up partly by the Government and partly by the banks. The Government is to provide: (1) the funds already in possession of the *Caja*; (2) including the funds given to the *Caja* by the Decree of September 14th, 1923; (3) the profits from the issue of silver coins; (4) the profits from the exchange and other transactions effected by the Caja; (5) proceeds from taxes which may be effected for this purpose by special laws; (6) any extraordinary fund which the Government may put at the disposal of the *Caja*.

The banks shall contribute by paying to the *Caja* yearly an amount equal to at least 2 % of their circulation in two half-yearly instalments of 1 % each. The Minister of Finance can, however, increase this percentage. As soon as the reserve reaches 40 % of the circulation, a general settlement of accounts between the banks and the Government will take place. Banks the assets of which are not sufficient to cover their circulation, will be liquidated by the *Caja*.

As soon as, in addition to the legal reserve fund, a supplementary fund of 20 % of the circulation is constituted, all notes will cease to be legal tender and will become redeemable in gold or in drafts on New York.

Until the Central Bank of Issue is constituted, the *Caja* may issue notes in exchange for gold at the rate of 60 pesos to 1 quetzal or dollar in addition to new notes replacing old bank-notes. These notes will be unlimited legal tender. Notes, gold and silver certificates of the United States will likewise be unlimited legal tender and considered as gold during one year after the promulgation of the present law.

After having constituted the necessary reserve fund, the *Caja* will be reorganised and become the sole bank of issue, called *Banco Central de Guatemala*. It is to be founded as a private bank and the Government share in the capital will be confined to such portion of the supplementary 20 % reserve fund as has not been subscribed by the public.

The " quetzal " was officially introduced as from February 15th, 1925, by the Decree No. 885 of January 31st, 1925.

On February 4th, 1925 (Decree No. 886), the Government imposed additional export duties on coffee and on sugar. The whole proceeds of these supplementary taxes during 1925 and half of these taxes after 1925 will be handed over to *Caja* to increase the reserve fund, which amounted on January 31st, 1925, to Q.867,927. Of this amount, Q.100,893 represents the 100 % reserve of notes issued by the *Caja* (6,053,572 pesos) and Q.767,034 the nucleus of the reserve for bank-notes in circulation constituted by that date.

On February 23rd, 1925, the Government promulgated a new banking law (Decree No. 890) fixing the status of the banks of issue operating in the future. In addition to the *Banco Central*, the privilege of issuing notes may be granted also to other banks with a minimum capital of 500,000 quetzals, one-half of which will have to be paid in gold before the banks start their operations. Note issues may not exceed five times the paid-up capital plus a reserve fund to be constituted from the net profits and must be covered to the extent of 40 % in gold. The remaining 60 % may be covered in bank-notes and securities approved by the Ministry of Finance, token coins, mortgage bonds, foreign drafts, bills, advances, credits on current account and finally up to 10 % of notes and deposits in shares and bonds of national companies. The notes of the *Banco Central* and of the other banks of issue will not be legal tender, but they will be accepted by the Government in any amount, as long as the banks redeem them freely in quetzals or dollars. The *Banco Central* will, moreover, have the right of redeeming its notes in drafts on the United States or other countries approved by the Ministry of Finance.

Subsidiary coin to an amount of 5.6 millions was issued during 1923 — 3.8 million of coins of 50 centavos, 1.5 million of coins of one peso and 445,000 coins of 5 pesos.

HONDURAS

Since 1879 the monetary unit of Honduras has been the silver peso of 25 grammes, 0.900 fine. Although the export of silver was forbidden in April 1916, most of the silver coins were exported during the years 1916 to 1920 and replaced by the gold and paper currency of the United States. In view of the lack of silver coin, American coins and notes were made legal tender by the Decree of August 8th, 1918, and the Law of January 23rd, 1919, at the rate of 1 dollar to 2 pesos. Since the fall in the price of silver, the dollars have, however, disappeared, except in the northern part of the country, and silver coins, frequently foreign coins of a lower fineness, entered again into circulation. The note issues shown in Table III do not therefore indicate the actual changes in the monetary circulation. The following are the currencies circulating at present: (1) National silver pesos; (2) silver pesos of Guatemala; (3) silver colons of Salvador; (4) Chilean pesos; (5) Peruvian pesos; (6) national token coins of 50 and 25 centavos; (7) token coins of 50 and 25 centavos of Guatemala; (8) old Mexican coins of 50 and 25 centavos; (9) token silver coins of 20, 10 and 5 centavos of Nicaragua; (10) U.S. silver coins of 10 cents; (11) U.S. nickel coins of 5 cents; (12) national copper coins of 1 and 2 centavos; (13) U.S. copper coins of 1 cent; (14) notes of the *Banco Atlantida*; (15) notes of the *Banco de Honduras*; (16) notes of the U.S.A.

The Government tried to maintain the circulation of the United States currency by prohibiting the import of silver coins other than American and by decreeing in a Law of March 1921 that one-half of the customs duties be paid in United States currency.

The only banks issuing notes are the *Banco Atlantida* and the *Banco de Honduras*. A third bank, the *Banco de Comercio*, was liquidated during the war. In May 1918 the *Banco Atlantida* was authorised to redeem its notes in dollars instead of silver pesos, at the rate of one dollar for two pesos. By Decree of September 13th, 1919, the bank was obliged to keep its reserve, which must amount to 50% of its circulation, in gold or United States currency instead of silver.

The notes of the *Banco de Honduras*, which must keep a silver reserve of 40% of its notes in circulation, remained redeemable in silver.

The Government endeavours to maintain the exchange value of the peso by accepting silver at 2 pesos for 1 dollar in payment of taxes and of one-half of the customs duties.

On May 30th, 1922, the *Banco de Honduras* became the fiscal agent of the Republic. The capital of the bank was increased to 2 million silver pesos, the Government subscribing 20 %.

NICARAGUA

By the Law of March 20th, 1912, the monetary system of Nicaragua was placed on a gold standard, the monetary unit being the "cordoba", equal to the United States dollar. Up to 1912, the circulation consisted of peso notes issued by the Government without cover. Although the law made provision for minting gold coins, no such coins have actually been minted and a gold exchange standard is in force.

The introduction of this new monetary system was made possible by a loan from a banking consortium in New York.

A part of this loan was destined for reducing the quantity of Government notes in circulation and thus improving the rate of exchange to 12.5 pesos for one dollar, which was the rate chosen for the conversion of the old issues into the new cordoba notes. But, as this amount proved to be inadequate, an additional loan was granted by the bankers in March 1912.

The conversion began in March 1913, and up to November 1913 the total value of Government notes withdrawn from circulation amounted to 37 million pesos. On November 1st, 1915, on which date the old notes ceased to be legal tender, the quantity withdrawn amounted to 49.4 million pesos. The amount of Government notes in circulation at the end of 1913 may be estimated at 12 to 13 million pesos, equal to about 1 million cordobas. These were replaced by a new issue controlled by the *Banco Nacional de Nicaragua*. Forty-nine per cent of the shares of this Bank belonged to the Government and 51 per cent to the United States lending firms, but in September 1924 the latter sold their shares to the Nicaraguan Government.

According to the Monetary Law, the notes issued by the Bank are full legal tender and the Bank has the exclusive privilege of issue. Neither the Government nor any other bank may issue paper currency during the term of this privilege.

About 1.6 million of the cordoba notes are fiduciary but notes in excess of this amount must be covered to 100 per cent by means of an exchange fund kept in New York.

The Bank is obliged to exchange and issue notes in amounts of not less than 5,000 cordobas against drafts on this exchange fund. The premiums charged by the Bank may not exceed $1\frac{3}{4}\%$.

The composition of the exchange fund since the end of 1913 is shown below:

Cordobas (000's *omitted*).

End of	Deposits in New York	U.S. Currency in Transit	Coin Holdings	Total
1913	694.4			694.4
1914	30.7			30.7
1915	13.2			13.2
1916	1.7			1.7
1917	236.9		121.2	358.1
1918	1,490.5		121.2	1,611.7
1919	2,064.4		121.2	2,185.7
1920: June	1,531.0		121.2	1,652.2
December	1,140.3		121.2	1,261.6
1921: June	481.2		121.2	602.4
December	185.5		121.2	306.7
1922: June	322.2	48.8	125.1	496.1
December	478.4	44.2	126.1	648.8
1923: June	787.4	135.6	126.1	1,049.1
December	834.2	149.9	126.1	1,110.3
1924: June		2,105		
December		1,860		

Whenever the exchange fund falls below $100,000 the Director of Customs is obliged by a contract dated October 8th, 1913, to put part of the Customs duties at the disposal of the Bank until the fund reaches $200,000. This stipulation was, however, suspended in 1915 for one year and again in 1917

In October 1914, the sale of drafts was suspended and on December 2nd the Bank was formally authorised to close the reserve fund and to issue emergency notes up to 1.5 million cordobas. Only 0.5 million of these notes were, however, issued and since 1916 the Bank has bought and sold drafts on the fund, although its legal obligation to do so has not yet been re-established.

PARAGUAY

The monetary unit is nominally the gold peso, but the actual currency is Government paper money. As this paper has very considerably depreciated, the Argentine peso is used to a considerable extent in commercial transactions and many taxes and duties are calculated in " gold " pesos. The value of this " gold " peso is calculated from the exchange rate of the Argentine paper peso, 100 of which are considered as equal to 44 gold pesos[1]. But this legal ratio of 44 : 100 has not been maintained since 1914 and the " gold " peso thus calculated is, therefore, at the same discount from an actual gold peso as the Argentine paper peso is from its parity.

The table below gives the average exchange rate of the Argentine paper peso and of the United States dollar in terms of Paraguayan paper pesos during 1921 and 1922. The rate of the " gold " peso may be calculated by dividing the figures of the first column by 44 and multiplying by 100. The rate of the United States dollar is calculated indirectly through the Buenos Aires rate on New York.

Number of Paraguayan pesos for one.

		Argentine paper peso	U.S. dollar			Argentine paper peso	U.S. dollar
1921:	January . . .	14.0	41.0	1922:	January . . .	17.6	51.3
	February . .	15.0	43.0		February . .	18.0	49.8
	March . . .	13.4	40.8		March . . .	18.1	49.8
	April	13.9	42.9		April	17.9	51.0
	May	14.9	48.1		May	17.9	49.0
	June	14.9	47.7		June	18.2	50.8
	July	15.0	51.6		July	18.8	52.1
	August	15.6	51.4		August	18.9	52.4
	September . .	16.1	52.2		September . .	19.0	53.3
	October . . .	16.5	51.5		October . . .	18.9	52.8
	November . .	17.2	52.8		November . .	18.9	52.1
	December . .	18.1	54.9		December . .	18.9	50.3

Since January 1923, the exchange has been stabilised at the rate of 18.75 national pesos for 1 Argentine paper peso.

By 1914, a Conversion Fund, which amounted to about 1.5 million gold pesos and was deposited with the *Banco de la Republica*, had been built up chiefly from export duties on hides, but in that year this Fund was handed over to the Government by the Bank and utilised in part for other purposes. The issue of 30,000,000 paper pesos in August 1914 through the *Banco Agricola*, which became a State Bank, and another issue of 35,000,000 paper pesos in February 1915, resulted in a heavy depreciation of the paper peso, and the Government therefore established, by the Law 182 of January 28th, 1916, an Exchange Office *(Oficina de Cambios)* with the object of buying and selling gold, forming gold deposits abroad and issuing and converting notes. The Office had at its disposal, for its exchange operations, 10 million paper pesos, the funds deposited with the *Banco Agricola* and certain gold revenues of the State. There were further placed at its disposal 600,000 gold pesos, which remained from the Conversion Fund, and certain other Government revenues. The gold received was deposited by the Office with the Argentine National Bank.

[1] For the Argentine currency system, see note on p. 228.

By subsequent decrees, exporters were obliged to deposit first 20 % and later 30 % of the market value of their shipments in gold or 90-day bills with the *Oficina*, receiving in exchange paper money at the official rate of exchange, and from time to time other revenues of the State were credited to this exchange office.

The exchange of the old for new notes provided for in the Law establishing the *Oficina* began on September 28th, 1922, and should have been completed in two years. As in August 1924 notes to the value of 60 millions pesos were still outstanding, the period of conversion was prolonged to January 31st, 1925.

By the Law No. 550 of October 23rd, 1923, the *Oficina* was authorised to issue redeemable notes against deposits of gold at the rate of 42.6 paper pesos to one gold peso. But, owing to the lack of gold in the country, the issues against Argentine paper pesos were subsequently permitted at the rate of 18.75 paper pesos to 1 Argentine peso, which rate does not take into account the discount of the Argentine paper peso from its gold parity. A special issue of 70.9 million paper pesos for financing crops was made early in 1924, but is being gradually withdrawn.

The following statement shows the circulation of redeemable notes issued by the *Oficina* during 1924:

End of	Pesos (000's omitted)
March	58,924
June	80,950
September	70,897
December	42,664

The movement of the Guarantee Fund for the notes in circulation (total of unredeemable and redeemable notes as shown in Table III) has been as follows:

End of	Pesos (000's omitted). Gold	Argentine paper pesos
1923: December	675.6	2,970.0
1924: March	910.9	3,363.9
May	903.9	4,732.7
September	945.8	4,045.1
December	824.8	2,625.2

The funds expressed in gold pesos at the end of 1924 were composed of: (1) gold coin deposited in the Argentine National Bank (675,600 gold pesos), (2) gold coin held by the Treasury (2,513 gold pesos), and (3) bank credits. The funds expressed in Argentine paper pesos are kept with foreign banks, mainly with the Argentine National Bank.

The *Banco de la Republica*, since September 1914, when it became the Government's fiscal agent, has enjoyed the right of issuing legal tender notes redeemable at the ratio of 1 peso paper = 10 centavos gold. Further details concerning these notes, the issue of which was never important except in 1914, when it reached 486,000 pesos, were given in the last year's *Memorandum on Currency*. In June 1924, notes to an amount of 21,205 pesos were outstanding and their gold cover amounted to 707 gold pesos. The last issue of the *Memorandum* contained likewise details concerning a bill submitted to Parliament in May 1922 for the establishment of a Central Bank of Issue. The project has, however, not yet materialised.

The figures for the Government notes given in Table III include subsidiary nickel coin, which amounted to 0.5 million from 1913 to November 1920, at which date another issue of three millions was authorised.

Table 37 **PERU** **Table 37**

ACCOUNTS	RESERVE BANK OF PERU Position in £ P. (000's omitted) at the end of					
	Dec. 1922	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
ASSETS.						
I. Metallic Reserve at home	4,317	4,432	4,423	4,424	4,421	4,422
(*a*) Gold	4,316	4,432	4,423	4,424	4,421	4,422
(*b*) Silver and Token coins	1	—	—	—	—	—
II. Other items of a Reserve or Cash nature.	96	113	93	91	70	57
III. Assets in and Claims on Foreign Countries	1,305	848	760	687	695	1,145
(*a*) Gold Deposits abroad	—	—	—	—	—	—
(*b*) Book Balances and Credits abroad	1,305	848	760	687	695	1,145
IV. Commercial Bills	418	912	1,086	1,291	1,118	1,361
(*a*) Inland	—	—	1,084	1,291	1,118	1,361
(*b*) Foreign	—	—	2	—	—	—
V. Securities and Investments	323	166	135	102	72	53
(*a*) Government	—	—	—	—	—	—
(*b*) Other	—	—	—	—	—	—
VI. Loans and Advances	—	—	—	—	—	—
(*a*) to the Government	—	—	—	—	—	—
(*b*) on Government securities	—	—	—	—	—	—
(*c*) Other	—	—	—	—	—	—
VII. Sundries	23	31	24	44	50	73
VIII. Total Assets	**6,482**	**6,502**	**6,521**	**6,639**	**6,426**	**7,111**
LIABILITIES.						
IX. Capital	359	359	359	359	359	359
X. Reserve Funds, etc.	—	44	58	58	58	58
XI. Profit and Loss and Dividends Accounts.	173	68	—	—	—	90
XII. Notes in circulation	5,421	5,684	5,681	5,736	5,548	5,832
XIII. Post Bills, Cheques, etc., in circulation.	57	29	28	27	—	—
XIV. Current Accounts	442	284	362	389	367	725
(*a*) Government	—	—	—	—	—	—
(*b*) Other	—	—	—	—	—	—
XV. Other Deposits	—	—	—	—	—	—
(*a*) Government	—	—	—	—	—	—
(*b*) Other	—	—	—	—	—	—
XVI. Sundries	30	34	33	70	94	47
XVII. Total Liabilities	**6,482**	**6,502**	**6,521**	**6,639**	**6,426**	**7,111**

PERU

NOTES.

Establishment of the Reserve Bank of Peru:

Before the war, gold and silver coins were the only currency in use in Peru. At the outbreak of war, however, a great shortage of currency developed. To overcome this, the leading commercial banks were authorised to issue the so-called *"circular cheques"* against gold and commercial and Government securities deposited with a central institution, the *"Junta de Vigilancia"*. These issues were gradually increased, but the whole system established to meet a passing crisis was too inelastic to be adopted as the basis of a permanent currency system. With the assistance of American bankers, therefore, a scheme for the establishment of a central banking and note-issuing institution modelled on the Federal Reserve System was worked out and adopted by Parliament by "Law No. 4500" on March 8th, 1922.

The Reserve Bank of Peru established under this law is a private institution under Government control to which the assets and liabilities of the *"Junta de Vigilancia"* have been transferred. The Bank assumed the functions and took over the liabilities and assets of the *"Caja de Depositos y Consignaciones"*, an institution organised by the leading banks for the purpose of receiving Government and judicial deposits and making loans to the Government in anticipation of tax receipts and acting as a clearing-house for the banks.

The Government is represented on the Board of the Reserve Bank by three directors, from whom the President and the Vice-President must be selected. The remaining directors are elected by the share-holding member banks, viz., two by domestic banks with a paid-up capital of £P. 250,000 or more, two by domestic banks with a capital of less than £P.250,000 and two by the share-holding branches of foreign banks doing business in Peru. In case the Government should have a fiscal agency abroad, this agency is to designate a tenth member of the board, whose office, however, may be abolished at any time by the unanimous vote of the other nine directors. The shareholders other than banks have no representative on the board. In addition to its general function of supervising the business of the Bank, the board may adopt by-laws to be approved by the Government and exercise such incidental powers as may be necessary to carry on the business of the Bank within the limitations prescribed by the law.

Metallic and foreign exchange reserves:

The composition of the gold reserves up to the establishment of the Reserve Bank is shown in Table IV (Vol. I). The detailed composition of the Bank's gold reserve on the various dates given in Table 37 above was as follows:

	£P (000's omitted)					
End of	Dec. 1922	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Gold serving as cover for notes	4,039	4,261	4,214	4,202	4,237	4,059
Gold held against certificates	56	29	28	28	—	—
Gold held against sight liabilities	221	142	181	194	184	363
Total	4,316	4,432	4,423	4,424	4,421	4,422

The gold shown as the second item in the above statement is held as collateral for the "gold deposit certificates" shown under XIII in Table 37, which likewise were taken over from the "Junta de Vigilancia" together with its gold and would appear to be circulating as currency. The silver and token coin holdings of the Bank are inconsiderable. When not shown separately, they are included in the balance sheet under the heading "Cash", shown in group II of the table, together with the balance sheet item "Clearing account for conversion into gold of reserve balances in London". The statements of the Bank give no details as to the actual composition of these two items.

The composition of the foreign assets in group III (*b*) of Table 37 is shown below:

	£P (000's omitted)					
End of	Dec. 1922	Dec. 1923	March 1924	June 1924	Sept. 1924	Dec. 1924
Balances abroad serving as gold cover for note circulation	1,150	848	760	687	695	1,145
Foreign correspondents	155	—	—	—	—	—
Total.	1,305	848	760	687	695	1,145

Under Article 15 of the Reserve Bank Law, the Bank's available balances in New York and London are considered as equivalent to gold as cover for note circulation and sight deposits.

Circulation of notes and coins:

Since 1898 the monetary system of Peru has been based on a gold standard, the unit of currency being the Peruvian pound, equal to £1 sterling.

Under the Law of August 22nd, 1914, circular cheques could be issued up to a total of £P.1,100,000 against a 35% cover in gold deposited with the "Junta de Vigilancia". Of this issue £P.100,000 had to be handed over to the Government for its use. On October 1st, 1914, a further issue of £P.1,400,000 with a 20% reserve was authorised. The loan to the Government was at the same time increased to £P.500,000. By a further Law of September 16th, 1918, a new issue of £P.3,000,000 was authorised against deposits of pounds sterling and dollars in London and New York, but at the same time the banks had to hand over to the Junta all the gold at their free disposal. In the summer of 1920 the banks imported $3,000,000 in gold, against the deposit of which, with the "Junta de Vigilancia", an equivalent amount of circular cheques was put into circulation.

By various laws the Government was authorised to increase the issue of small coins in silver and nickel and the "Junta de Vigilancia" to issue gold certificates convertible at sight in notes of one-tenth of a Peruvian pound. In addition, small provisional notes were issued in 1917 while the nickel coins were being minted. By a Law dated January 26th, 1922, the Government was empowered to issue silver coins to a value of £P.7,045,932 in place of the gold and nickel certificates.

The Reserve Bank was given the exclusive right of issuing banknotes in Peru. These notes may be issued either in exchange for circular cheques on demand of the holders, against deposits pound for pound in gold, or in connection with the credit operations (discounts) of the Bank. They are not legal tender, but are freely exchangeable into circular cheques until the President of Peru, at the request of the directors of the Bank, decides that "the international financial situation has become normal", when the notes will be freely redeemable in gold or in dollars or sterling exchange at the lower gold point for these currencies. As mentioned in the introductory note, the Reserve Bank has assumed the liability for the "circular cheques". Only the cheques exchanged for gold are destroyed, whereas the cheques received in exchange for notes or as deposits are to be held for the purpose of being paid out for notes on demand.

When gold redemption of the notes is resumed, however, all circular cheques will be redeemed in gold and destroyed.

The Bank must hold against the notes a reserve of not less than 50 per cent in gold (at home or abroad) or in dollar or pound exchange represented by bills on or balances in New York or London, the remainder to be covered by paper eligible for discount under the law. There is a provision, however, that promissory notes ("bills payable") which, in order to be eligible for discount, have to be covered by pledge of Government securities or commercial paper, must not represent more than 10 per cent of the total cover for the notes.

The composition of the total note circulation and of the reserve against the note circulation on the various dates given in Table 37 was as follows:

End of	Dec. 1922	Dec. 1923	£P (000's omitted) March 1924	June 1924	Sept. 1924	Dec. 1924
Circulation:						
"Circular cheques" in circulation	5,090	3,704	3,425	3,206	2,943	2,823
Notes issued in exchange for circular cheques	211	1,578	1,740	1,890	2,029	2,153
Notes issued in connection with loan operations	118	388	510	633	570	850
Notes exchanged for gold	2	14	6	7	6	6
Total circulation	5,421	5,684	5,681	5,736	5,548	5,832
Total Reserve against circulation:						
Gold at home	4,039	4,261	4,214	4,202	4,237	4,059
Foreign exchange considered as equivalent to gold	1,150	848	760	687	696	1,145
"Securities held against circular cheques"	322	166	135	102	72	53
Discounts	418	912	1,084	1,292	1,118	1,361
Total cover	5,929	6,187	6,193	6,283	6,123	6,618

The "securities held against circular cheques" are those in group V of the table. They were taken over from the "Junta de Vigilancia" at the same time as the Reserve Bank assumed the liability for these cheques but are not admitted as legal cover for the banknotes against which the cheques are exchanged. Their actual composition is not shown in the returns of the Bank, but the greater part of the original amount transferred consisted of Government securities representing the special loans to the Government mentioned above, the remainder being composed of mortgage bonds and commercial documents. It will be noted from the above statement that the Bank's holdings of such securities have decreased in proportion to the withdrawal of the circular cheques from circulation.

Deposits:

The Reserve Bank may receive "from the member banks, from the Government and from official institutions of any department or province and from any other Government body", "deposits on current account without interest". There is no obligation; but the banks are authorised to include their deposits with the Reserve Bank in the 25 per cent reserves in lawful money to be held against their sight liabilities under Article 185 of the Commercial Code. The sums given in group XIV of Table 37 consist of member banks' reserve accounts and Government deposits. The various items are not specified in the returns of the Bank.

Discounts:

The loan operations of the Reserve Bank are only in the form of discounts. Under Article II of "Law No. 4500", the Bank is authorised to discount, with the endorsement of any of the shareholding banks, drafts and bills of exchange issued for agricultural, commercial or industrial purposes, and bills of exchange and bankers' acceptances secured by readily marketable products. With the exception of agricultural bills, which may have a maturity up to six months, though they are limited in amount to 20 per cent of all discounts, no paper discounted may have more than 90 days to run. The Bank may also discount "bills payable" of the member banks maturing within three months, provided that they are secured by commercial paper eligible for discount under the law, Government securities, mortgage bonds, gold and warrants. Moreover, "when, in the judgment of the Board of Directors, the reserves of the Bank are sufficiently large to justify such operations, the Bank may buy, discount or make advances on acceptances, commercial bills, or bills payable, even though they do not have the endorsement of a member bank", provided that they conform as to purpose and maturity with the rules prescribed for the member bank's discounts. This clause gives the Reserve Bank a wide scope for open market operations. On the other hand, the Bank is prohibited under the law from discounting paper based upon speculative transactions or issued for investment purposes.

The Reserve Bank is not authorised under the law to make direct advances to the Government. Moreover, under Article 12 it is "prohibited from making ordinary bank loans and from making advances on current accounts or permitting overdrafts".

SALVADOR

Since February 1883 and up to 1919 the currency system of Salvador was on a silver basis, the unit of currency being the silver peso weighing 25 grammes, 0.900 fine. Taking the opportunity offered by the high price of silver, the Government introduced a gold standard by the Laws of September 11th, 1919, and of July 16th, 1920, the new monetary unit being a colon of 836 milligrammes of gold, 0.900 fine. No gold coins have, however, been minted, and the gold and silver dollar of the United States were made legal tender at the rate of two colons to one dollar. The regulations with reference to token money are somewhat exceptional. National silver coins of 100, 50 and 20 centavos and American silver coins of 1 dollar, 50, 20 and 10 cents must be accepted as payment for any debt up to an amount not exceeding 10 % thereof, nickel coins of 10, 5, 3 and 1 centavos must likewise be accepted up to 2 % of any debt. The amount of silver coinage is not to exceed 10 % and the amount of nickel coinage 5 % of the total fiduciary circulation and in no case should nickel exceed 1,000,000 colons.

There are three banks of issue: the *Banco Salvadoreño*, the *Banco Occidental* and the *Banco Agricola-Comercial*.

The notes of these banks, which were redeemable in silver, were made inconvertible on August 11th, 1914. But after having sold their silver reserves against gold, the banks stated on January 8th, 1920, that they were prepared to redeem their notes in gold and on January 15th the peso notes were formally made convertible into gold at the rate of 1 peso = 1 colon = 0.5 United States dollar. Under the new monetary law, a reserve of 20 % in gold has to be maintained against current accounts and of 40 % against notes in circulation. The circulation may not exceed twice the paid-up capital of the bank. Owing to an unfavourable trade balance, a large quantity of notes was presented for redemption in 1921 and the export of gold was therefore forbidden in October 1921.

On June 25th, 1921, a bill was published for the establishment of a Central Bank of Issue, details concerning which were given in the last issue of the *Memorandum on Currency*. Although this bill received the formal assent of the National Assembly on June 24th, 1921, no action has been taken.

On May 9th, 1922, the rights of issue of the three banks were guaranteed until the end of 1950. By the same law the Government undertook to grant these banks the same rights and privileges as those which may be granted to any new bank of issue founded during this period.

Owing to the frequent use of United States currency, the figures for notes given in Table III do not represent the changes in the monetary circulation of the country. Moreover, the bankruptcy of a fourth bank of issue in November 1913 resulted in a monetary crisis, and the note circulation at the end of 1913, which stood at 4.5 millions, was, therefore, exceptionally low, the figure for the end of June 1913 being 6.8 millions.

URUGUAY

Table 38 **URUGUAY**

ACCOUNTS	BANK C Positi 1913	1918
ASSETS.		
I. Metallic Reserve at home	12.1	48.1
(*a*) Gold	10.5	45.2
(*b*) Silver and Token coins	1.6	2.9
II. Other items of a Reserve or Cash nature	0.1	0.2
III. Assets in and Claims on Foreign Countries	—	2.3
(*a*) Gold Deposits abroad	—	—
(*b*) Book Balances and Credits abroad	—	2.3
IV. Commercial Bills	—	2.6
(*a*) Inland	—	2.6
(*b*) Foreign	—	—
V. Securities and Investments	1.6	1.5
(*a*) Government	0.5	0.4
(*b*) Other	1.1	1.1
VI. Loans and Advances	28.7	50.4
(*a*) to the Government	0.2	4.4
(*b*) on Government securities	0.3	0.5
(*c*) Other	28.2	45.5
VII. Sundries (including Premises, etc.)	1.5	2.2
VIII. Total Assets	**44.0**	**107.3**
LIABILITIES.		
IX. Capital	12.1	16.7
X. Reserve Funds	—	—
XI. Profit and Loss and Dividends Accounts, etc.	—	—
XII. Notes in circulation	21.5	55.6
XIII. Post Bills, Cheques, etc., in circulation	—	0.1
XIV. Current Accounts	5.5	23.5
(*a*) Government	0.2	5.5
(*b*) Other	5.3	18.0
XV. Other Deposits	4.6	10.2
(*a*) Government	1.0	1.4
(*b*) Other	3.6	8.8
XVI. Sundries (including Pension Funds)	0.3	1.2
XVII. Total Liabilities	**44.0**	**107.3**

THE REPUBLIC

n $ (000,000's omitted), at the end of

1919	1920	1921	1922	1923	March 1924	June 1924	Sept. * 1924	Dec. 1924
57.7	58.2	57.5	58.0	57.9	57.8	57.6		58.0
54.9	55.4	54.9	54.9	54.9	54.9	54.9		54.9
2.8	2.8	2.6	3.1	3.0	2.9	2.7		3.1
0.2	—	—	3.9	5.1	4.7	4.5		4.6
2.5	—	0.1	0.1	1.2	4.2	3.0		3.5
—	—	—	—	—	—	—		—
2.5	—	0.1	0.1	1.2	4.2	3.0		3.5
3.2	3.9	3.4	3.5	2.8	3.4	2.8		3.3
3.2	3.9	3.4	3.5	2.8	3.4	2.8		3.3
—	—	—	—	—	—	—		—
1.5	1.5	1.5	1.6	1.6	1.6	1.6		1.6
0.4	0.4	0.4	0.4	0.4	0.4	0.4		0.4
1.1	1.1	1.1	1.2	1.2	1.2	1.2		1.2
76.3	80.6	81.6	76.6	80.5	79.3	80.0		81.5
2.8	5.7	5.7	5.7	10.1	10.1	10.1		10.1
1.3	1.5	1.4	1.3	1.5	69.2	69.9		71.4
72.2	73.4	74.5	69.6	68.9				
2.1	2.3	4.0	2.9	3.6	4.0	4.4		3.6
143.5	**146.5**	**148.1**	**146.6**	**152.7**	**155.0**	**153.9**		**156.1**
18.7	20.3	21.2	21.2	21.2	21.2	21.2		23.9
—	—	—	—	—	—	—		0.3
—	—	—	0.7	2.3	2.3	2.3		—
73.9	64.9	66.3	64.1	69.0	70.2	65.7		68.5
0.1	—	—	—	—	—	—		—
34.2	42.3	36.4	34.2	30.4	28.9	30.1		30.7
7.3	10.6	12.7	11.5	9.5	—	—		—
26.9	31.7	23.7	22.7	20.9	—	—		—
15.7	18.0	23.2	25.5	27.7	28.8	30.2		29.9
1.7	2.0	2.3	2.3	2.5	2.9	3.0		3.0
14.0	16.0	20.9	23.2	25.2	25.9	27.2		26.9
0.9	1.0	1.0	0.9	2.1	3.6	4.4		2.8
143.5	**146.5**	**148.1**	**146.6**	**152.7**	**155.0**	**153.9**		**156.1**

* Returns not available.

URUGUAY

Notes.

The Bank of the Republic:

"The Bank of the Oriental Republic of Uruguay" is a State institution. Its capital, formed partly from the proceeds of certain foreign loans and partly from the Bank's own profits, belongs to the Government. The president and all directors of the Bank are appointed and may be dismissed by the Executive with the consent of the Senate or, when it is not assembled, of its Permanent Commission. The Bank is charged with the administration of the public debt; it acts in all respects as the fiscal agent of the Government and has the monopoly of note issue. Apart from these functions it was, up to the middle of 1924, mainly a commercial bank, its operations as a bankers' bank being of secondary importance. In June of that year, however, as indicated below, a law was passed imposing an obligation on the commercial banks to hold reserve balances with the Bank of the Republic. The balance sheets for the end of June and September 1924 are not available.

Metallic reserves:

The gold of the Bank is shown in Table IV, Vol. I, under three headings: (1) gold of the Bank at home; (2) other gold at home; (3) gold held abroad. The gold other than that belonging to the Bank consisted of gold deposits made by the other banks in accordance with the Law of August 8th, 1914, which deposits had to be redeemed in gold at sight. The gold abroad was held in legations. According to the Law of August 24th, 1914, legations in the United Kingdom and the United States were authorised to accept gold which may be deposited by various debtors abroad for payment of debts either to the Government, to banks, or to private persons. Since 1916, no gold has been shown as held abroad and the reserve since 1920 consists exclusively of the gold of the Bank of the Republic.

Money circulation:

The currency system of Uruguay is based on the gold standard, the unit of currency being the gold peso, 917/1000 fine, weighing 1.697 grammes. The gold peso is, however, not actually minted, and the following coins are accepted as legal tender:

(*a*) The pound sterling	equal to	$ 4.70
(*b*) 20 francs of the Latin Union	,,	$ 3.73
(*c*) Alfonsina (25 pesetas)	,,	$ 4.66
(*d*) 20 $ 000 Brazilian reis	,,	$ 10.56
(*e*) 20 marks	,,	$ 4.60
(*f*) The American double eagle	,,	$ 19.32
(*g*) The Peruvian pound	,,	$ 4.66

Legally, the note issue of the Bank of the Republic is divided into two categories subject to different regulations — the "Emisión mayor", consisting of notes of denominations above 10 pesos, and the "Emisión menor", The present regulations governing the note issues are based on the laws of November 27th, 1917, and February 2nd and December 4th, 1918.

Emisión menor. — The issue of small notes up to 10 pesos must not exceed 50 per cent of the Bank's paid-up capital. The Bank is not required to keep any metallic reserve against these issues, but, under the Law of November 27th, 1917, these notes are convertible either in gold or silver at the option of the Bank. As mentioned below, the convertibility is provisionally postponed.

Emisión mayor. — The Bank is authorised to issue notes of denominations above 10 pesos up to three times the amount of its paid-up capital on December 31st of each year, against a gold reserve which must not be less than 40 per cent of the total of these notes and all other liabilities payable on demand (given in group XIV of Table 38.)

In addition the Bank is authorised to issue notes of these larger denominations up to an amount

of 5 million dollars to be advanced to the commercial banks. The notes thus issued have to be covered to 50 per cent by gold deposited for this purpose with the Bank of the Republic by the commercial banks, which pay a commission of ½ per cent per annum to cover the costs of the issue of these notes. The remaining half of this note issue has to be covered by rediscounts granted to the private banks at a special rate 2 to 3 per cent below the average discount rate applied by the Bank of the Republic. These rediscounts constitute the main part of the sums shown under IV (*a*) in Table 38.

Moreover, apart from the above issues, the Law of December 4th, 1918, authorises a provisional issue up to 15 million pesos against the sole cover of certain credits to the French Government ($15 millions). This authorisation, which has been prolonged from time to time simultaneously with the prolongation of the credit with which it is connected, originally (under the Law of February 2nd, 1918) applied also to similar credits granted to the British Government ($23.8 millions). These credits are included under the loans and advances in group VI (*c*) of Table 38. The notes issued against them were used for the purpose of paying the debts of the British and French Governments to Uruguayan purveyors of goods exported to England and France during the war. The British Government's debt to the Bank under this arrangement was entirely repaid in 1920, and in 1924 the French Government repaid $3 millions, its debt thus being reduced to $12 millions by the end of that year.

The export of gold was prohibited and the convertibility of the notes suspended in 1914 after the outbreak of war. This suspension was to expire in June 1922, but has been further prolonged until six months after the repayment of the sum due by the French Government.

In the summer of 1924 a new general banking law was passed under which all banks "shall at all times retain a reserve in the form of gold, legal tender, notes, Government bonds or deposits with the Bank of the Republic covering at least 25% of their liabilities payable at sight or with less than one month's notice, and 15% of their liabilities payable at longer term." Moreover, the banks must maintain a deposit with the National Bank equivalent to 10% of their subscribed capital.

(For fuller details concerning the operations of the Bank of the Republic, see *Memorandum on Central Banks*, 1913 *and* 1918-1923.)

VENEZUELA

The unit of currency is the bolivar, which is equal to one franc, and since 1879 the currency has been on a gold basis. Since 1912 foreign gold coins have been accepted as legal tender at the Latin Union par rate of exchange.

Under the Constitutional Law the State and the local governments are forbidden to issue notes. Under the Bank Law dated June 27th, 1918, any bank with the permission of the Federal Executive may do so.

The four following banks are at present issuing notes: *Banco de Venezuela, Banco de Caracas, Banco de Maracaibo* and *Banco Comercial de Maracaibo* (founded in 1917).

Notes must be covered up to 33 % by gold coin and for the rest by securities maturing in 30 days. The total issue may not exceed three times the paid-up capital of the issuing bank and any amount in excess of twice the paid-up capital must be covered wholly by gold. It is understood, however, that in the country districts notes, which are not legal tender, are not very readily accepted and that gold has remained in circulation.

Silver coin is limited legal tender up to 500 bolivars in coins of 5 bolivars and up to 50 bolivars in smaller coins. Nickel is legal tender up to 10 bolivars for each payment.

It is not possible to give any exact estimate of the quantity of gold and silver coin in circulation, but it probably appreciably exceeds the paper money.

Silver coins to the amount of 7 million bolivars were minted during the first half of 1924.

The figures for notes in circulation given in Table III refer to the net circulation, notes held by the bank which issued them being deducted.

COMMERCIAL DEPOSITS

Notes to Tables VI and VII[1]

(arranged in alphabetical order)

ARGENTINE.

The figures for deposits in commercial banks given in Tables VI and VII refer to the Banco de la Nación and to the other commercial banks, which numbered 31 at the end of 1923 and 30 at the end of 1924. The various items, which are expressed partly in gold and partly in paper pesos, have been calculated in paper pesos at 44 gold to 100 paper pesos.

The deposits given for the Banco de la Nación, which is mainly a commercial bank in spite of its character of Government fiscal agent, include the official current accounts, but exclude judicial and clearing deposits. The table below shows the official and the private deposits separately:

Pesos (000,000's omitted).

End of	Current and Deposit Accounts		Savings	Total
	Official	Private		
1913	70	160	215	445
1914	54	225	232	511
1915	67	220	311	598
1916	62	277	203	642
1917	73	291	321	685
1918	105	398	435	938
1919	83	389	523	995
1920	89	411	592	1,092
1921	78	323	636	1,037
1922	105	328	700	1,133
1923	104	427	698	1,229

The Post Office Savings Bank started operations on April 5th, 1915. Interest on deposits is added at the end of each year.

AUSTRALIA.

In Tables VI and VII are given, in addition to the deposits in the ordinary commercial banks, the current accounts in the Commonwealth Bank, which, although the sole bank of issue, partakes largely of the character of a commercial bank. As it is not ascertainable to what extent the deposits in the Commonwealth Bank include Government or bankers' deposits, the figures for this bank are given separately.

The figures given in Table VI are averages for the last quarter of each year and those in Table VII are the average of each quarter.

The current accounts bearing interest have been considered in the various tables of the introduction as time deposits and the current accounts not bearing interest as sight deposits, although the distinction is not quite exact.

The deposits in savings banks, which refer to the ends of years or quarters, include the Savings Department of the Commonwealth Bank. These savings deposits are not necessarily time deposits, but are used to a great extent by small tradesmen as current accounts.

AUSTRIA.

The figures given for deposits in the Post Office savings banks concern savings deposits only, deposits on current accounts being excluded.

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[1] Tables VI and VII (Deposits in Commercial Banks and Savings Banks) are given in Vol. I.

The figures for the ordinary savings banks refer to all the so-called "Regulativsparkassen", which numbered 201 at the end of 1924. As only end-of-year figures are available for these savings banks, the data given in Table VII have been subdivided into (*a*) chief savings banks, figures for which are available monthly, and (*b*) other. The totals for these two groups correspond to the total figures given for private savings banks in Table VI. Up to March 1923, the savings banks included under (*a*) numbered 19 and since April 13 only. The deposits in the six savings banks which were omitted amounted in 1920 to only 1% of the total savings deposits.

All the figures given in both tables refer to the present territory of Austria.

BELGIUM.

The figures for commercial deposits given in Table VI, which are based on the compilations of the *Moniteur des Intérêts matériels*, refer to all commercial banks, which numbered 70 at the end of 1920, 78 at the end of 1921, 81 at the end of 1922 and 83 at the end of 1923. The deposits in the mortgage institutions, Caisse Hypothécaire Anversoise and Crédit Foncier de Belgique, have been excluded.

Owing to lack of detailed classification, it is not possible to distinguish for all the banks between sight and time deposits. The following statement showing the detailed deposits refers to three banks only (Société Générale de Belgique, Crédit Général Liégois, Banque Générale belge):

Francs (000,000's omitted).

	1913	1920	1921	1922	1923
Sight	457	1,784	1,708	1,809	2,296
Time	126	213	248	255	156
Total . .	583	1,997	1,956	2,064	2,452

The deposits in the Caisse Générale d'Epargne et de Retraite include, besides actual savings deposits, a certain amount of current accounts. These accounts amounted at the end of 1922 to 26 millions.

Interest, which is added at the end of each year, is included up to 1922.

BOLIVIA.

The figures for deposits in the Banco de la Nación, which, although it is a semi-official institution, is to a large extent a commercial bank, do not include the judicial deposits. It is not known, however, whether and to what an extent the deposits shown include Government deposits.

The deposits in the two other banks refer to the Banco Nacional and the Banco Mercantil. The increase of deposits from 1918 to 1919 is partly explained by the amalgamation in November 1919 of the Banco Francisco Argandoña with the Banco Nacional. The deposits of the absorbed bank amounted to about 3 million bolivianos.

BRAZIL.

The Bank of Brazil, although Government agent and, since 1923, Central Bank of Issue, is mainly a commercial bank and its deposits are therefore shown in Table VI. Although the accounts with the Treasury have been omitted, it is not known whether the figures represent private deposits only or whether they still include Government deposits. The sight deposits given in the table consist of current accounts without interest, current accounts with interest and limited current accounts which are given in the balance sheets of the Bank since June 1921. Time deposits consist of deposits at fixed dates, deposit certificates bearing interest, which disappeared from the balance sheets in March 1921, and deposits against collections, which were given for the first time in December 1921.

The deposits in the other banks given in Table VI refer to all the banks in the country, Brazilian banks as well as branches of foreign banks. At the end of 1921, the former numbered 56 and the latter 22. The deposits were divided between these two groups of banks at the end of 1923 as follows:

Milreis (000,000's omitted).

(*a*) *Brazilian banks:*	
Sight deposits	1,283
Time deposits	214
(*b*) *Branches of foreign banks:*	
Sight deposits	813
Time deposits	345

The Brazilian official banking statistics have, since the beginning of 1922, been presented in a new form in which greater detail is shown. It is not known whether this change affects in any way the comparability of the figures before and after 1922.

BRITISH INDIA.

The figures given in Table VI refer to the (1) Presidency banks, (2) Exchange banks, and (3) Joint stock banks.

The three Presidency banks — Bank of Bengal, Bank of Bombay and Bank of Madras — were amalgamated and formed into the Imperial Bank of India on January 27th, 1921. In spite of its character as sole Government banker, the Imperial Bank of India is chiefly a commercial bank. The figures for this bank given in Tables VI and VII do not include the Government and public deposits and represent, therefore, chiefly private commercial deposits, although they may include a limited amount of deposits of other banks.

The Exchange banks are foreign banks with head offices abroad whose main function is to finance the foreign trade. They numbered 18 at the end of 1923. Their deposits are sometimes originally expressed in terms of foreign currency. Only the deposits in the Indian offices of these banks are given in Table VI. The Delhi and London Bank, which was previously an exchange bank, was amalgamated in 1916 with the Alliance Bank of Simla, which is a joint-stock bank. Its deposits for 1913, 1914 and 1915 have therefore been deducted from the statistics concerning the Exchange banks and added to the deposits of the Joint-stock banks.

The deposits in the Joint-stock banks refer to Indian institutions having a minimum paid-up capital and reserves of 1 lakh of rupees from which returns had been received by the Department of Statistics of India.

These banks have over five hundred branches and agencies, chiefly scattered throughout the north-west of India, and especially in Punjab and in the United Provinces. The number of joint-stock banks referred to in 1923 is 69.

BULGARIA.

As the National Bank of Bulgaria has to a large extent the character of a commercial bank, its private deposits have been included in Tables VI and VII. These private deposits comprise the "current accounts bearing interest" given in the balance of the National Bank and the "deposit accounts at sight". The "current accounts not bearing interest", as well as the "time deposits", represent chiefly accounts with banks and various public institutions and have therefore been omitted.

The other State banks referred to are the Central Co-operative Bank and the Agricultural Bank.

The figures for deposits in commercial banks refer to the following five joint-stock banks: Banque Bulgare de Commerce, Banque de Crédit, Banque Balkanique, Banque Franco-Bulgare pour le commerce international, and Banca Commerciale Italiana e Bulgara.

The following figures referring to all joint-stock and savings banks have been published by the National Bank of Bulgaria:

	Leva (000,000's omitted).	
	December 31st, 1922	December 31st, 1923
122 Joint-stock banks:		
Deposits and current accounts	2,082	3,009
60 Savings banks:		
Current accounts	75	97
Time deposits	12	12
Total	87	109

The figures for deposits in the Post Office Savings Bank given in Tables VI and VII have been revised since the last issue of the *Memorandum on Currency* and now include accumulated interests.

CANADA.

The following statement of deposits on December 31st, 1924, shows the items as given in the official monthly combined return of the Chartered Banks summarised in Tables VI and VII.

	$ (000,000's omitted)	
Balance due to Dominion Government after deducting advances for credits, pay-lists, etc.	24.7	
Advances under Finance Act	30.4	
Balance due to Provincial Governments	31.0	
Total Government deposits		86.1
Deposits made by and balance due to other banks in Canada		23.0
Due to banks and banking correspondents:		
(*a*) In the United Kingdom	7.2	
(*b*) Elsewhere than in Canada and the United Kingdom	27.3	
Foreign correspondents: total		34.5
Deposits by the public payable on demand	595.3	
Deposits by the public payable after notice or on a fixed day	1,237.6	
Total deposits by the public		1,832.9
Grand total		1,976.5

The item "Advances to the Government under Finance Act" appears in the balance for the first time in October 1923.

In order to avoid duplication, the deposits made by and balances due to other banks in Canada have been omitted in Tables VI and VII.

The above statement does not include deposits in the foreign branches of the Chartered Banks, most of which are in Newfoundland, Cuba and British West Indies. These deposits amounted at the end of 1923 to $299.8 millions and at the end of 1924 to $333.5 millions. It should be observed that, although notice is required for the withdrawal of the time deposits, this right is seldom or never used. The deposits made by the public, both sight deposits and time deposits, can, therefore, be considered as subject to cheque. This applies also to a considerable extent even to savings deposits.

The deposits in savings banks other than the Government banks and the Post Office Savings Bank which have been inserted in Tables VI and VII refer to the Montreal City and District Savings Bank and to the Caisse d'Economie de Notre Dame de Québec.

CHILE.

The deposits in commercial banks given in Table VI are obtained from monthly statements prepared by the Ministry of Finance and refer to all the banks in Chile, which amount to 28.

The figures of deposits in savings banks given in Tables VI and VII refer to six savings institutions.

COSTA RICA.

The deposits in banks given in Table VI refer to the Banco Internacional, which is a Government bank, and to the following private banks: Banco Anglo-Costarricense, Banco Mercantil de Costa-Rica and Banco de Costa-Rica.

As the deposits in the Banco Internacional represent to a large extent Government deposits, they are given separately.

The balance sheets of the Banco Internacional refer to October 31st of each year. The yearly figures for the other banks refer either to the month of June or to the month of July.

CZECHOSLOVAKIA.

The deposits in commercial banks given in Table VI are obtained from compilations prepared by the State Statistical Office and refer to all joint-stock banks in Bohemia, Moravia and Silesia, which numbered 37 at the end of 1922. They include the deposits in some of the mortgage banks which are joint-stock banks, but not the deposits in mortgage banks without share capital.

The figures for deposits given in Table VII, which are obtained from monthly statements issued by the Ministry of Finance, do not refer to exactly the same number of banks as the yearly figures in Table VI, although they cover the same territory. The deposits in mortgage banks which were included in the figures published in the last issue of the *Memorandum on Currency* have now been excluded. Whilst the deposit accounts are roughly the same in both cases, the figures for the current accounts compiled by the Ministry of Finance are much smaller, because they do not include the current accounts created by advances of the banks to their clients. The nature of these statistics is therefore very different from those published for other countries.

The deposits in savings banks refer to 373 institutions, which represent approximately the total number of savings banks in the country.

DENMARK.

Since the beginning of 1922, all the banks have been obliged to send monthly statements, according to a standard balance sheet, to the Banking Inspector. It is possible, therefore, to give more detailed statistics since 1922 than for earlier years. In order to avoid duplication, the correspondents at home which are included in the yearly figures given in Table VI have been omitted from Table VII, the figures of which are based on the detailed monthly statements.

The figures in both of the tables for the year 1921 refer to the end of January 1922.

As some of the savings banks close their accounts at the end of the calendar year and some on March 31st, the statistics are composed partly of the end-of-year figures and partly of figures relating to March 31st of the following year.

No monthly figures of deposits in all savings banks are available. The following are the figures in the four biggest savings banks for the years 1921 to 1924:

		Kroner (000,000's omitted).			*Kroner* (000,000's omitted).
1921	XII	498	1923	III	611
1922	III	524		VI	603
	VI	527		IX	609
	VIII	548		XII	597
	XII	588	1924	III	595
				VI	585
				IX	608
				XII	606

ECUADOR.

The deposits given in Tables VI and VII refer to the six biggest banks, namely, the Banco del Ecuador, Banco Comercial y Agricola, Banco de Descuento (established in August 1920), Banco del Pichincha, Compañía de Credito Agricola e Industrial and the Banco del Azuay.

Two new banks, the Banco Italiano and the Banco de los Andes, were founded in 1923.

At the end of 1923 the deposits in other banks amounted to 8.2 millions and in savings banks to 2.2 millions.

ESTHONIA.

The figures given in Table VII refer to the ordinary commercial banks and to the Bank of Esthonia, which partakes largely of the character of a commercial bank. The Government deposits have been excluded and only the so-called private deposits are given.

The deposits shown for the other banks refer to all Esthonian joint-stock and private banks, which numbered 27 at the end of 1923. They do not contain the deposits in the co-operative banks.

Since the beginning of 1923, detailed banking statistics are published according to a standard balance sheet, whereas before 1923 only total figures of deposits were available.

The large figure for correspondents refers chiefly to the private banks. The following table shows the deposits at the end of 1923 for joint-stock banks and private banks separately:

Esthonian marks (000,000's omitted).

	23 Joint-stock Banks	4 Private Banks	Total
Current accounts	1,191	192	1,383
Time deposits	183	23	206
Other deposits	39	44	83
Correspondents:			
Loro	159	808	967
Nostro	289	1,334	1,623
Total	1,861	2,401	4,262

FINLAND.

The figures for deposits in commercial banks refer to all the banks in Finland, which numbered 13 at the end of 1913, 21 at the end of 1923 and 19 in 1924.

In order to avoid duplication, the figures referring to correspondents at home have been omitted.

Accumulated interest of deposits in savings banks is added at the end of each year. This partly explains the regular rise in the December figures in Table VII. The figures for the end of 1923 and 1924 being, however, still provisional do not contain interest.

The figures for deposits in savings banks given in Table VII refer to the total of Post Office and ordinary savings banks. These two groups are given separately in the yearly figures of Table VI.

FRANCE.

The figures for deposits in commercial banks given in Table VI and Table VII relate to the following "Banques de dépôts": Banque Nationale de Crédit, Comptoir d'Escompte, Crédit Commercial, Crédit Industriel, Crédit Lyonnais, Société Générale.

The distinction between sight and time deposits is probably only approximately correct and it is not known to what extent the current accounts of some banks, particularly the Banque Nationale de Crédit, may include time deposits. As a rule, the following have been considered as sight deposits: current accounts, cheque accounts, discount accounts, cheques payable, correspondents, sight deposits, bills at sight (*bons à vue*), accounts available after collection (*comptes exigibles après encaissement*) and creditors' accounts.

The item "time deposits" comprises deposits for a certain fixed period and deposits at notice.

The yearly figures for deposits in the National Savings Bank (Post Office Savings) include interest up to 1922.

The figures for deposits in the ordinary savings banks, which numbered 557 at the end of 1919, have been revised since the last issue of the *Memorandum on Currency*, final figures being substituted for provisional ones for the years 1913 to 1919. The figures from 1919 onwards are still provisional. All the figures include deposits in Algeria, but exclude those in Alsace and Lorraine.

GERMANY.

The figures for deposits in commercial banks given in Table VI refer to the six biggest Berlin banking institutions, namely: Deutsche Bank, Disconto-Gesellschaft (including the Schaffhausenscher Bankverein, amalgamated in 1914), Dresdner Bank, Commerzial- und Privat-Bank, Mitteldeutsche Creditbank, and the Darmstädter und Nationalbank. The latter was created in November 1921 by an amalgamation of the Bank für Handel und Industrie and the Nationalbank für Deutschland. The figures of these two banks were accordingly used up to 1920.

It has proved necessary to exclude the Berliner Handelsgesellschaft as its deposits are not subdivided in the same manner as those of other banks. Its total deposits at the end of each year during 1913-1923 were as follows:

	Marks (paper) (000,000's omitted).		*Marks* (paper) (000,000's omitted).
1913	297	1919	962
1914	263	1920	2,355
1915	282	1921	4,294
1916	349	1922	27,599
1917	439	1923	24,561,504,000
1918	570		

The total deposits of the banks given represented at the end of 1913 about 50% and at the end of 1920 about 72% of the deposits of all commercial banks in Germany. This increase in the proportion of deposits in these big banks is due partly to amalgamations. Owing to the numerous foundations of new banks during the inflation period, it is not possible to estimate with accuracy the percentage obtaining for 1923.

The figures shown in Table VI comprehend two different items: (1) "Kreditoren", representing largely the cash balances and surplus funds of the business world and more especially of the various undertakings financed by the banks; (2) "Depositen", which represent rather the deposits received from the general public. The distinction between these two items has tended, however, to become less and less strict.

During the period of the depreciation of the German currency and especially in 1923 the deposits, particularly the time deposits, were, moreover, calculated to a great extent in foreign currencies or other "stable values".

The following statement shows the movement of deposits during the period 1913 to 1922 in detail:

Marks (000,000's omitted).

Creditors:	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
(*a*) Payable within 7 days . .	1,238	1,584	2,134	2,554	3,774	5,562	15,985	24,564	40,970	900,055
(*b*) » in 7 to 90 days .	678	456	613	960	1,322	2,154	1,928	2,727	6,675	38,448
(*c*) » in more than 90 days	203	111	179	449	818	1,179	1,035	1,356	2,571	13,421
Total . . .	2,119	2,151	2,926	3,963	5,914	8,895	18,948	28,647	50,216	951,924
Deposits :										
(*a*) Payable within 7 days . .	1,247	1,598	1,905	2,219	3,730	5,078	11,640	18,410	37,156	429,078
(*b*) » in 7 to 90 days .	627	507	803	1,390	2,472	2,430	3,237	5,731	8,584	31,246
(*c*) » in more than 90 days	380	297	349	630	1,367	1,126	1,566	3,261	5,327	16,874
Total . . .	2,254	2,402	3,057	4,239	7,569	8,634	16,443	27,402	51,067	477,198

Owing to lack of details in the balance sheet of the Deutsche Bank for 1923, no corresponding figures can be given for that year. The following are the figures for 1922 and 1923 for the banks, excluding the Deutsche Bank:

Marks (000,000,000's omitted).

Creditors :	1922	1923
(*a*) Payable within 7 days	629	437,889,608,000
(*b*) » in 7 to 90 days	37	16,475,097,000
(*c*) » in more than 90 days	5	23,600,572,000
Total	671	477,965,277,000
Deposits :		
(*a*) Payable within 7 days	178	135,100,676,000
(*b*) » in 7 to 90 days	12	4,233,993,000
(*c*) » in more than 90 days	10	1,169,274,000
Total	200	140,503,943,000

Since 1924 the balances of the banks have been established in gold marks (1 gold mark = 1,000,000,000,000 paper marks). The following are the figures for the total of creditors and deposits for the seven banks at the end of 1924:

Gold marks (000,000's omitted).

Six banks:	
(*a*) Payable within 7 days	1,441.0
(*b*) Payable in more than 7 days	1,064.8
(*c*) Correspondents at home	686.6
	3,192.4
Berliner Handelsgesellschaft	131.3
Total for seven banks	3,323.7

Figures for deposits in savings banks for the years 1913 to 1922 were given in the last issue of the *Memorandum on Currency.*

GREECE.

The figures for deposits in commercial banks refer to the following four institutions: Bank of Athens, Popular Bank, Oriental Bank and Commercial Bank. The last mentioned has been shown separately owing to the fact that its balance sheet does not show the same details as do those of the other banks.

The Ionian Bank has been omitted owing to the impossibility of expressing its deposits in drachmai. Detailed statements showing the deposits in drachmai and in £'s separately are available up to 1916, but from 1917 all the deposits are expressed in £'s only. Up to the end of 1921, the drachmai deposits were converted in the balance sheets of the bank into £'s at par in spite of the depreciation of the drachma, whilst after 1921 varying exchange rates have been used. Thus it is impossible to judge the movement of the deposits after 1916.

The deposits at the end of each year from 1913 to 1916 were as follows:

(000,000's omitted)

	1913	1914	1915	1916
Amounts in Drachmai:				
Current accounts	20.2	18.3	26.4	21.4
Deposits	15.9	15.9	17.3	35.3
Total	36.1	34.2	43.7	56.7
Amounts in £'s sterling:				
Current accounts	0.5	0.3	0.9	2.4
Deposits	0.3	0.3	0.4	0.4
Total	0.8	0.6	1.3	2.8
Total expressed in £'s sterling:				
Current accounts	1.3	1.1	2.0	3.3
Deposits	0.9	0.9	1.1	1.8
Total	2.2	2.0	3.1	5.1

The following are the figures for June 1924 in continuation of the data given in Table VI:

Drachmai (000,000's omitted).

3 Commercial banks:	
Current accounts and correspondents	357.1
Deposits: Sight	735.0
Time	289.5
Savings	189.5
Total	1,571.1
1 Bank: Current and deposit account	323.4
Total for four banks	1,894.5

GUATEMALA.

The figures for deposits given in Tables VI and VII are obtained from official compilations up to the end of 1921 and from balance sheets since. They refer to the following banks: Banco Americano de Guatemala, Banco Colombiano, Banco de Occidente, Banco Internacional, Banco Agricola Hipotecario and Banco de Guatemala. They do not include correspondents of the banks which show this item separately.

The figures for the end of 1917 do not exist on account of the earthquake in December of that year.

A detailed statement for the various classes of deposits in each bank at the end of 1922 was given in the last issue of the *Memorandum on Currency*.

By Decree 842 of October 2nd, 1923, which amended the banking law of July 1923, banks which hold a State concession or privilege are obliged to keep against sight deposits a minimum cash reserve of 40 per cent. A transitional period is, however, granted to these banks up to the end of December 1927, by which they are to constitute the necessary reserves. In the meantime, they have to keep a reserve to be fixed by the Government Supervisory Board and gradually increased until it reaches 40 per cent.

Banks without State concession are obliged to keep a cash reserve of 50 per cent against sight deposits

HONDURAS.

The deposits shown in Table VI refer to the Banco de Honduras and to the Banco Atlantida, which was founded in February 1913. These two banks are at present the only native banks in the country.

The corresponding figures for the end of 1924 are:

Banco de Honduras	0.311
Banco Atlantida	3.650
Total . . .	3.961

HUNGARY.

The statistics of deposits in banks given in Table VI are obtained from official compilations. They do not include deposits in small institutions which are not members of the Association of Financial Institutions.

The figures given below refer to deposits with 13 credit institutions in Budapest. The accounts, whether in paper crowns or foreign currency, are expressed in gold crowns:

Gold crowns (000,000's omitted).

	1924		
	30 VI	30 IX	31 XII
Current accounts in:			
Paper crowns	55.4	114.1	160.7
Foreign currency	18.2	20.9	44.3
	73.6	135.0	205.0
Savings deposits in:			
Paper crowns	2.7	7.9	23.9
Foreign currency	0.5	1.6	2.5
	3.2	9.5	26.4

ITALY.

The deposits given in Tables VI and VII under the heading "Three commercial banks" refer to the Banca Commerciale Italiana, the Credito Italiano and the Banco di Roma. The deposits in the Banca di Sconto, which stopped payment at the end of 1921, are given in Table VI separately under the heading "One commercial bank". This bank was founded at the end of 1914 and began its operations in October 1915, after having amalgamated with the Società Italiana di Credito Provinciale and the Società Bancaria Italiana. The figures for 1913 and 1914 refer therefore to these two banks.

When the Banca di Sconto stopped payment, 900 million lire of deposits and 3,642 million lire of the "correspondents" were subject to a moratorium. Of the 3,642 million lire, 1,394 were to be repaid in full. A concordat was concluded in March 1922 concerning the rest of these balances and the deposits,

according to which deposits of less than 5,000 lire were to be repaid at the rate of 67 per cent, whereas the remaining claims of 5,000 lire or more were to be paid up to 55 per cent in cash and to the extent of 7 per cent in shares of the newly established Banca Nazionale di Credito, which took succession of the Banca di Sconto.

The figures for 1923 given in Table VI for "one bank" and the quarterly figures given since 1923 in Table VII refer to the "Banca Nazionale".

The "correspondents" represent for the greater part sums advanced to certain big financial, industrial and commercial concerns financed by the banks and, to a lesser degree, of sums deposited by banks and bankers. Especially in recent years, this item would appear also to include considerable amounts of bills rediscounted. These amounts not being shown separately in the banks' balances, it has not been possible to exclude them from the deposits.

The item "deposits" includes current accounts, savings and time deposits effected by the very numerous small depositors. In the tables of the *Introduction* the "correspondents" have been entered as sight deposits, and the "deposits" as time deposits. For the reasons mentioned above, the percentages in these tables have, however, a limited value only. It should also be noted that the total increase of deposits since 1913 is partly due to amalgamations of provincial banks with the four big banks, particularly the Banca di Sconto.

The difference in the figures given in Table VI and those in Table VII are explained by the fact that the yearly figures in Table VI have been obtained from the yearly returns and that they include the creditors for bills for collection of the Banca Commerciale and of the Banca Nazionale, which are, however, excluded from the quarterly figures obtained from official compilations.

The figures for deposits in savings banks refer to savings deposits only, and do not include judicial and charity deposits in the case of Post Office savings banks, and current accounts and bonds bearing interest in the case of the ordinary savings banks. Interest is added once a year, in December. The figure for December 1924 is exclusive of interests.

JAPAN.

The deposits in the "special banks" given in Table VI, *i.e.* banks under the special control and protection of the Government, refer to the Yokohama Specie Bank, the Industrial Bank of Japan and the Bank of Taiwan. The Bank of Japan, which is also a "special bank", has been excluded, as it is a bankers' bank, and the other "special banks" either because they are mortgage institutions or on account of their specific colonial character. The deposits in these "special banks" at the end of 1922 and 1923 amounted to:

	Yen (000,000's omitted).	
	1922	1923
Hypothec Bank of Japan	52.6	47.8
Agricultural and Industrial Banks (Provincial Hypothec Banks)	120.3 [1]	133.5
Hokkaido Colonial Bank	45.7	40.0
Bank of Chosen	160.6	163.1
Total	379.2	384.4

The deposits in ordinary and savings banks refer to all such institutions in Japan, which numbered over 2,000 at the end of 1921, they represent all the deposits except savings deposits, which are given with the deposits in the Post Office savings banks under the heading "Savings banks". These deposits in the banks and savings banks are given together, although separate statistics are available for the two groups, because there was not always a strict distinction between the business carried on by the banks and by the savings banks respectively. By a law which was passed in 1921 and came into force at the beginning of 1922, ordinary banks were forbidden to carry on savings-bank business and vice versa. As, at the same time, the minimum capital required for savings banks was raised from 30,000 to 50,000 yen, most of the savings banks were amalgamated with the ordinary banks and the number of savings banks, which, before the introduction of the law, was over 600, had fallen by the beginning of 1922 to about 150.

[1] January 1923.

The current accounts bear no interest and can be drawn on by cheque. They are particularly used for business transactions. The "special current accounts", on the contrary, bear interest and can generally be drawn only by a pass-book. They partake, therefore, of the character both of ordinary current accounts and of savings accounts. The two types of current accounts have been grouped in Table VI under the heading "demand deposits".

It should be noted that the deposits shown in the table include partly deposits abroad. The public deposits have been omitted from the calculations of percentages in the various tables of the Introduction.

LATVIA.

The figures for deposits in Table VI, which are obtained from official compilations, refer to all the joint-stock banks, except the Bank of Latvia. These banks numbered 13 at the end of 1922 and 20 at the end of 1923.

The corresponding figures for December 1924, referring to 26 banks, are:

	Lats (000's omitted)
Current accounts	24,302.5
Time deposits	2,821.4
Other deposits	977.7
Correspondents	34,801.4

The total number of credit institutions, *i.e.* joint-stock banks, banking offices, savings banks and societies of mutual credit, was 183 at the end of 1922. The deposits shown in Table VII refer to these institutions.

The legal rate of the rouble to the lat is: 50 roubles = 1 lat.

LITHUANIA.

The deposits in commercial banks shown in Table VII are obtained from compilations prepared by the Ministry of Finance and refer to the following banks:

(1) Agricultural Bank; (2) Bank of Industry and Commerce; (3) International Bank; (4) Commercial Bank; (5) Central Bank for developing Jewish Co-operation; (6) Bank of Credit; (7) National Lithuanian Bank of Klaipeda (Memel) (since March 1924); and (8) Lithuanian Land Bank (since September 1924). The last two banks were founded in 1924.

The following are the figures for deposits in all credit institutions, including banking offices and co-operative banks but excluding the Bank of Lithuania:

Litas (000,000's omitted).

End of		Current accounts	Deposits	Correspondents	Total
1923	VI	8.5	2.9	12.7	24.1
	IX	12.6	1.9	15.3	29.8
	XII	16.0	3.7	20.3	40.0
1924	VI	14.1	4.3	21.2	39.6
	IX	20.1	6.8	15.8	42.7
	XII	27.1	20.1	22.0	69.2

NETHERLANDS.

The figures for deposits in commercial banks given in Table VI refer to the following six banks: Nederlandsche Handel-Maatschappij; Rotterdamsche Bankvereeniging; Amsterdamsche Bank; Twentsche Bank; Incasso Bank; Bank Associatie.

The figures which up to 1922 were taken from compilations prepared by the Rotterdamsche Bankvereeniging and for 1923 from the balance sheets of the banks refer to deposits in the Netherlands only, accounts with colonial branches being excluded.

The item "Deposits" in Table VI consists for the greater part of time or fixed deposits, but includes also a certain amount of sight and short-term deposits. No uniform principle is followed by the various banks in distinguishing current or creditors' accounts from deposits. As, moreover, the increase in the

deposits is due to a certain extent to amalgamations, the percentages given in the Introduction have a limited value only.

The regular increase in deposits in the Post Office banks at the end of each year is partly due to the addition of accrued interest. The figure for the end of 1924, being provisional, does not contain the interest, which amounted at the end of 1923 to 7 million gulden.

The figures for deposits in ordinary savings banks given in Table VII refer to the chief savings banks only, which numbered 41 at the end of 1924. They are a continuation of those given in Table VI under the heading "Chief savings banks".

NEW ZEALAND.

The deposits in the six banks of issue are averages for the last quarter of each year in Table VI and for the quarters in Table VII.

The Post Office savings deposits given in Table VI refer, for the years 1913 to 1919, to the end of the year and for the years 1920 to 1923 to the end of March of the following year. The amounts which can be deposited with the Post Office savings banks are unlimited, but no interest is granted for deposits exceeding £5,000.

The figures for the private savings banks refer for the whole period to the end of March of the following year.

The deposits in savings banks given in Table VI all include accumulated interest, which is added at the end of each business year. In Table VII the interest is therefore added to the figures for the end of 1919 and for the March figures of 1922, 1923 and 1924.

NICARAGUA.

The figures for deposits given in Table VI refer to the Banco Nacional de Nicaragua, which is the only bank of issue.

The following are the figures available for the two other banks in Nicaragua since 1919:

Cordobas (000's omitted).

End of	Commercial Bank of Spanish America			Anglo Central American Commercial Bank		
	Sight	Time	Total	Sight	Time	Total
1919	83	11	94	189	69	258
1920	42	14	56	67	15	82
1921	19	21	40	79	18	97
1922						
III	34	23	57	127	69	196
VI	42	29	71	118	69	187
IX	53	26	79	123	87	210
XII	56	34	90	65	86	151
1923						
III	88	38	126			
VI	119	52	171			

NORWAY.

The figures of the deposits in commercial banks given in Tables VI and VII, which refer to the more important commercial banks in Norway, are obtained from monthly compilations prepared by the Ministry of Finance. The item "Current accounts", which has been entered in the percentage calculations of the Introduction as "sight deposits", represents the total of the giro accounts ("folio" accounts) and of the other current accounts. The latter are given in the original compilations either as "various creditors" or as "other accounts" (*i.e.* other than the "folio" accounts and deposit accounts referred to further below.)

The detailed figures for the end of 1924 were:

"Folio accounts"	110 million kroner
"Various creditors"	349 » »
Total current accounts	459 million kroner

"Deposits" represent deposits "under savings bank conditions" and time deposits of various kinds. They are subject to a higher interest rate than the "folio accounts", thus recently 4-5% against 2%. Although these deposits, as in other Scandinavian countries, mainly represent savings investments, the deposits "under savings bank conditions" probably partly represent current accounts of small business people, etc. This may, to a certain extent, account for the disproportion between the sight and the time deposits as compared with those of most of the other countries.

Other yearly banking statistics are prepared by the Norwegian Central Statistical Office. They refer to all the banks of the country, which numbered 170 at the end of 1922 and 166 at the end of 1923.

The following are the figures for the years 1913 and 1918 to 1923:

Kroner (000,000's omitted).

	1913	1918	1919	1920	1921	1922	1923
"Folio" accounts	27	223	208	206	162	137	139
Foreign correspondents	26	108	155	188	201	171	162
Deposits	565	2,152	2,463	2,585	2,328	2,069	1,961
Not specified	—	346	302	322	492	491	161
Total	618	2,829	3,128	3,301	3,183	2,868	2,423

The differences between this series of figures and those published by the Ministry of Finance are:

(1) The number of banks in the compilations of the Ministry of Finance is smaller than in the compilations of the Statistical Office, which refer to all banks.

(2) The compilations of the Statistical Office do not contain current accounts, but only "Folio accounts" and are, therefore, not comparable with the statistics of most of the other countries. The current accounts are given, together with other items, under "Other liabilities".

(3) An item "not specified" is given by the Statistical Office, but not in the compilations of the Ministry.

Correspondents at home have been omitted from the tables in order to avoid duplication as far as possible. This duplication still partly obtains, because the banks do not always make the necessary distinction between the deposits effected by the public and those effected by the banks. But it is estimated that the double counting does not exceed 4 to 5% of the total deposits.

The figures for deposits in savings banks given in Table VI refer to all savings banks in the country, which numbered 579 at the end of 1923. They include since 1919 current accounts, which amounted at the end of 1923 to 13.7 million as compared with 2,514.2 million kroner of actual savings deposits.

The figures given in Table VII refer to the chief savings banks only, *i.e.*, banks the assets of which exceed 3 million kroner. They numbered 162 at the end of 1924.

PARAGUAY.

The figures of deposits refer to all banks in Paraguay, which numbered five at the end of 1914.

At the end of 1918, the following seven domestic banks were operating: Banco Agricola del Paraguay, Banco de la República, Banco Mercantil del Paraguay, Banco de España y del Paraguay, Caja de Credito Comercial, Banco Constructor del Paraguay, Agencia Industrial y Comercial del Paraguay. At the beginning of 1920, the Banco de Londres y del Rio de la Plata established a branch.

The deposits in the Oficina de Cambios, which is not, strictly speaking, a bank (see note on page 250), and those of the Banco Agricola, which was founded to promote agricultural interests and is a semi-governmental institution but not a central bank, are shown in official statistics together under the heading "Bancos de la Nación". They have accordingly been shown separately under this title.

The heavy drop in deposits at the end of 1920 is due to the severe banking crisis which started in the second half of that year and during which the Banco de España y del Paraguay and the Banco Mercantil del Paraguay had to stop their payments.

PERU.

The deposits in commercial banks given in Tables VI and VII refer to the following institutions: Banco del Perú y Londres, Banco Italiano, Banco Internacional del Perú, Banco Popular del Perú, Banco Alemán Transatlantico, Banco Mercantil Americano del Perú (since 1916), National City Bank of New York (since 1920), Banco Anglo-Sud-Americano (since 1920), Banco Departamental de Lambayeque (since 1922), Commercial Bank of Spanish America (since 1922), the Caja de Depositos y Consignaciones (official and judicial deposits), and the Caja de Ahorros de Lima.

Up to 1919 the only important savings institution was the *Caja de Ahorros de Lima* and the figures of savings deposits for 1913 to 1918 refer exclusively to this savings bank. Its deposits in the years 1919 to 1923 were:

	Libras (000's omitted).		*Libras* (000's omitted).
1919	485	1922	525
1920	545	1923	539
1921	529		

Since 1919 several other savings banks have been founded and some banks have opened special savings departments. The deposits shown since 1919 include therefore those of the other institutions.

As the deposits of the *Caja de Ahorros* are included both under deposits in banks and under deposits in savings banks, the two items, if added together, involve some double counting.

POLAND

The yearly figures for deposits in commercial banks given in Table VI, obtained from the compilations of the Polish Central Statistical Office, refer to 47 joint-stock banks in the former Russian territory.

The following are the figures, from the end of theyear 1919 to the end of 1923, for the former Prussian and Austrian territories:

	Marks (000,000,000's omitted).				
	1919	1920	1921	1922	1923
Deposits: Sight	0.6	4.0	17.4	52.0	4,531.9
Time	0.2	1.4	6.1	6.4	159.2
Not specified	—	—	—	0.7	—
Correspondents	0.8	1.0	19.5	55.0	17,349.0
Total	1.6	6.4	43.0	114.1	22,040.1

The quarterly figures given in Table VII refer to 16 of the most important banking institutions.

The figures for deposits in the Post Office Savings Banks refer to savings deposits only, cheque accounts being excluded. During the period from April to September 1923, these deposits were calculated in "zlotys" (unit of account of "stable value") and expressed in Polish marks, according to the value of the gold loan bonds fixed by the Ministry of Finance every month.

The deposits in savings banks other than postal refer to savings banks of the "local organisations" and to co-operative credit societies in some of the chief towns.

PORTUGAL.

The following are the five banks for which detailed deposits were available for the years 1913 to 1923: Banco Nacional Ultramarino, Banco Commercial de Lisboa, Banco Commercial de Porto, Banco Lisboa e Açores, Banco Portuguez e Brazileiro. The deposits of the Banco Nacional Ultramarino outside Portugal are excluded.

The other banks, for which figures are given in Table VI, numbered 22 at the end of 1921 and 23 at the end of 1922 and 1923, the Bank of Portugal and the banks of the Azores being excluded.

The figures for deposits in State savings banks refer to the *Caixa geral de depositos* and to the Post Office savings. Among the private savings banks, which numbered 20 in 1923, are included the "Pawn Offices" (Montepios). The figures refer to Portugal and Madeira, but not the Azores.

The following statement shows the details of savings deposits in 1923:

	Escudos (000,000's omitted).
General Savings Bank: 30/VI	350.6
Post Office Savings	2.5
Total	353.1
Other Savings Banks: 31/XII:	
Sight	103.0
Time	9.6
Not specified	11.2
Total	123.8

ROUMANIA.

The figures of deposits given in Table VI refer to all banks and credit institutions (except the National Bank), which numbered 683 at the end of 1922 and 756 at the end of 1923. They are based on the compilations prepared by the Director of Statistics of Roumania, but certain small adjustments have been made for 1922. In general, the deposits shown correspond to the item "Deposits bearing interest" of the official statistics. This item includes sight deposits as well as time deposits. The so-called "Creditors' current accounts" have been omitted, because they represent chiefly accounts of the banks with each other (correspondents) and involve therefore to a great extent duplication.

Although the banks are obliged to publish their end-of-year balance in the official gazette, there exists no compulsory standard balance-sheet and it is therefore often impossible to make a distinction between the deposits and correspondents ("Creditors' current accounts"). Whenever these items are not available separately, they appear to be entered in the official statistics as "Creditors' current accounts" All the banks which fail to distinguish between these two items have, therefore, been excluded from the table except the Banca Românească. The deposits in this institution represent so large a proportion of the total deposits in the country that its exclusion would have rendered the table misleading. The figures as given, however, since they include the correspondents of the Banca Românească, involve some double counting. The deposits of the Banca Românească, including correspondents, amounted to 1,204 millions at the end of 1923, compared with 1,444 millions the year before. Had this bank been excluded, the deposits shown in Table VI for the years 1922 and 1923 would have amounted to 8,257 and 8,219 millions respectively.

The deposits shown in Table VII refer to the following eight banks: Banca "Marmorosch Blank"; Banca Creditul Român; Banca Generală a Tarii Românesti; Banca Românească; Banca Comercială Română; Banca Agricolă; Banca de Scont a României; Banca Comercială, Craiova. They represent the total of "Deposits bearing interest" and of "Creditors' current accounts". In view of the small number of banks referred to in this table, the latter item could be added without involving duplication to the same extent as in the table referring to all banks.

The figures for savings deposits given in Table VII refer to the State Savings Bank (Cassa de Depuneri Consemnatiuni si de Economie). Owing to the territorial changes which have occurred since the war, the yearly figures in Table VI have been omitted.

SALVADOR.

The figures of deposits given in Table VII refer to the Banco Salvadoreño, Banco Occidental and Banco Agricola Comercial.

The deposits in foreign gold have been converted into colons in 1919 at the rate of 194 colons = 100 $ U.S. and subsequently at the new official parity of 200 colons = 100 $ U.S.

KINGDOM OF THE SERBS, CROATS AND SLOVENES.

The figures for deposits in banks shown in Table VI are taken from official unpublished compilations. They refer to all the banks of the Kingdom, 654 at the end of 1923, except mortgage banks and co-operative credit institutions, which have been excluded. But owing to the lack of a strict distinction between the activities of commercial and of savings banks, the deposits in the latter have been included.

There is not always a strict distinction between the various forms of deposits. The "current accounts" include a certain amount of savings deposits and of accounts with correspondents, whilst the "savings deposits" refer generally to interest-bearing sight or time deposits.

The following table gives the deposits, excluding correspondents, in the various classes of institutions at the end of 1923:

	Dinars (000,000's omitted).
Banks and Savings Banks	3,582
Co-operative Credit Institutions	550
Post Office Savings Bank (including cheque and current accounts)	351

SOUTH AFRICA, UNION OF.

The figures for deposits in the joint-stock banks refer to deposits in the Union only and do not include balances due to other banks.

The following are the figures for sight and fixed deposits in the Union and outside the Union for the years 1913 to 1923:

End of:	£'s (000,000's omitted). Sight	Fixed	Total	End of:	£'s (000,000's omitted). Sight	Fixed	Total
1913	20.8	20.1	40.9	1919	65.3	41.8	107.1
1914	23.5	21.9	45.4	1920	58.7	43.6	102.3
1915	27.1	24.0	51.1	1921	49.4	41.6	91.0
1916	30.9	24.4	55.3	1922	46.9	36.9	83.8
1917	36.6	28.2	64.8	1923	47.8	30.0	77.8
1918	45.2	32.4	77.6				

The sight deposits in the above table embrace Government deposits, savings deposits and current accounts.

The deposits in the Post Office savings banks include both deposits on current and on certificate account. Interest is added to the June figures and the March preliminary figures are afterwards revised to include it when the audit of the financial year (March 31st) is made.

The following are the deposits in the savings banks other than Post Office and savings departments of the commercial banks:

March 31*st*	£'s (000's omitted).
1920	816
1921	891
1922	941
1923	1,054

SPAIN.

The figures for deposits in banks given in Table VI are obtained from compilations prepared by the *Anuario Financiero* and refer to all banks, including mortgage banks, but exclude the Bank of Spain and branches of foreign banks. The number of banks, which was 52 in 1915, 72 in 1918, subsequently increased rapidly, and was 73 in 1919, 91 in 1920, 93 in 1921 and 1922, and 91 in 1923.

The deposits in branches of foreign banks at the end of 1922 were as follows:

	Pesetas (000,000's omitted).
Deposits on sight	371
» on one month	53
» on more than one month	72
» in foreign currency	176
Bills payable	15
	687

Owing to differences in the balance sheets of the banks it is difficult to draw before 1923 an exact distinction between current and deposit accounts. The percentages in Table J of the Introduction should therefore be accepted with reservation.

By the law of September 23rd, 1922, banks are obliged to present quarterly a standard statement of their balances to the Supreme Banking Council. The following are the detailed items concerning deposits: Creditors at sight; creditors for one month; creditors for more than one month; creditors in foreign currency.

As the Post Office Savings Bank started its operations in 1916, the movement of its deposits indicates rather the development of this savings system than the progress in the savings of the country. Interest is added at the end of each year. The deposits in the other savings banks refer to all the savings banks in the country, which numbered 128 at the end of 1922 and 122 at the end of 1923, and to the savings departments of all the pawn-offices. These offices in Spain have not the same limited scope as in other countries and may therefore be treated like the other credit and savings institutions.

Savings deposits in commercial banks are included with the other deposits of these banks.

SWEDEN.

The figures in Tables VI and VII refer to all the commercial banks operating in Sweden, which amounted at the end of 1924 to 33.

"Current accounts on less than one month or with less than one month's notice" are included with "sight deposits" because of the much shorter notice required in practice for the withdrawal of this type of current accounts.

The following is a detailed statement for December 31st, 1924, showing the way in which the various items of the total balance sheets have been summarised in the tables.

	Swedish crowns (000,000's omitted).
Deposits on cheque account	423.3
Deposits on current account:	
(*a*) Sight.	26.1
(*b*) Less than one month's notice	422.6
Total sight deposits	872.0
Deposits on deposit and capital account	2,016.3
Deposits on savings-bank accounts	787.2
Liabilities with banks at home:	
(*a*) Sight.	11.1
(*b*) Time or on notice.	150.7
Liabilities with savings banks at home:	
(*a*) Sight.	25.0
(*b*) Time or on notice.	32.1
Total for correspondents at home	218.9
Liabilities with foreign banks and bankers:	
(*a*) Sight:	
1. Loro accounts	46.9
2. Nostro accounts	2.9
(*b*) Time or term:	
1. Loro accounts	76.2
2. Nostro accounts	0.9
3. Acceptances	24.9
Total for foreign correspondents	151.8
Grand total . .	4,046.2

Credits opened but not yet utilised are not shown in the Swedish banking statistics under the deposits. At the end of 1923 these unutilised credits represented 299 million kr., and at the end of 1924, 266 millions.

The deposits on "deposit and capital account" are generally made for fixed periods of four to six months. In the case of the deposits on capital account, the interest is automatically capitalised and is, moreover, slightly lower than the interest yielded on deposit account, the interest on which is not capitalised.

The banks are entitled to pay interest on savings accounts only for amounts not exceeding 3,000 kr., and the depositors are not entitled to withdraw more than 1,000 kr. of such deposits per month.

The figures relating to correspondents at home have been excluded from Tables VI and VII in order to avoid duplication.

The data concerning savings banks refer to all the savings banks in the country, which amounted at the end of 1923 to 492.

SWITZERLAND.

The figures for deposits in commercial banks are obtained from compilations prepared by the Swiss National Bank and refer to the following groups of institutions, their number at the end of 1923 being given in brackets: Cantonal Banks (24); Great Banks ("Grossbanken") (8); Local and Medium Banks ("Lokal- und Mittelbanken") (77). They do not include the mortgage banks, the trust banks and the oversea banks.

The savings banks referred to represent: savings and loan banks (66); Raiffeisen banks (332); savings banks (116).

"The statistics for all the banks do not allow of a strict comparison from year to year. They are influenced by the inclusion of new establishments and the elimination of others. These alterations also affect the group results, which are further modified by the transfer of banks from one group to another and by amalgamations".

The re-groupings were particularly important in 1919, when some of the savings banks were transferred to the group of commercial banks. As the statistics have been re-calculated according to the new grouping only since 1917, the figures given in Table VI give a more or less continuous series from 1913 to 1916 and from 1917 to 1922. The following figures for the years 1917 and 1918, according to the old grouping, are more comparable with those for the preceding years than the figures given in Table VI:

Swiss francs (000,000's omitted).

	1917	1918
Banks:		
Current accounts and correspondents	2,745	3,214
Obligations	2,491	2,589
Other deposits	433	409
Savings deposits	986	1,132
Total	6,655	7,344
Savings Banks:		
Current accounts and correspondents	90	117
Obligations	253	271
Other deposits	29	34
Savings deposits	871	965
Total	1,243	1,387
All Banks:		
Current accounts and correspondents	2,835	3,331
Obligations	2,744	2,860
Other deposits	462	443
Savings deposits	1,857	2,097
Total	7,898	8,731

From comparison with the figures given for these two years in Table VI it will be seen that the figures for the banks and the savings banks respectively are much more affected by these changes than the total figures, which remain nearly the same.

The item "current accounts and correspondents" shown above consists of cheque and giro accounts, correspondents and creditors on current account.

The "obligations" are debentures issued by the banks with a view to attracting savings from the public. These debentures generally mature in 2-5 years and yield an interest which often exceeds the

interest accorded on time deposits. They are shown in the Swiss banking statistics under the deposits.

The "obligations" constitute an important part of the deposits in mortgage banks, which were at the end of 1923 as follows:

	Swiss francs (000,000's omitted).
Current accounts and correspondents	130.0
Obligations	1,042.4
Other deposits	40.0
Savings deposits	279.1
Total	1,491.5

UNITED KINGDOM.

The figures for deposits given in Table VI are obtained from the compilations prepared by the *Sttatis* and refer to 46 banks in 1921, 1922 and 1923. Seven banks which were not included in the *Statist*'s compilation up to 1921 have been omitted in order to make the series more comparable. Throughout the period the figures include the present territory of the Irish Free State.

The following table, based on compilations prepared by the *Economist* and which refers to a somewhat smaller number of institutions, shows the subdivision of deposits according to the character and the geographical distribution of the banks:

£'s (000,000's omitted).

End of	Joint-Stock Banks				Private Banks	Total
	England	Scotland	Ireland			
			Northern Ireland	Irish Free State		
1913	809.4	125.9	70.7		27.1	1,033.1
1914	895.6	132.5	74.5		32.9	1,135.5
1915	992.6	140.6	77.7		32.9	1,243.8
1916	1,154.9	166.6	83.7		39.2	1,444.4
1917	1,365.3	196.5	99.3		44.7	1,705.8
1918	1,583.4	222.1	131.6		51.3	1,988.4
1919	1,874.2	259.6	166.2		56.2	2,356.2
1920	1,961.5	279.2	200.4		50.9	2,492.0
1921	1,974.9	291.1	212.9		48.3	2,527.2
1922	1,834.0	267.8	56.6	153.1	51.0	2,362.5
1923	1,822.1	247.2	52.0	149.7	33.5	2,304.5
1924	1,813.5	242.6	51.1	136.2	29.2	2,272.6

The quarterly figures given in Table VII represent monthly averages of deposits with the following nine clearing banks: London Joint City and Midland; Bank of Liverpool and Martins; Barclay's; Coutts & Co.; Glyn, Mills, Currie & Co.; Lloyd's; Westminster Bank; National Provincial and Union; William Deacon's.

The deposits in Post Office savings banks given in Table VI refer to December 31st of each year, whilst those of the Trustee Savings banks refer throughout the whole period to November 20th. As the quarterly figures for the latter institutions given in Table VII exclude deposits in the Special Investment Department, they are lower than the yearly figures given in Table VI.

Accrued interest is included in the case of Post Office savings banks in the end-of-year figures, except for 1923, the figure for which is still provisional. In the case of Trustee Savings banks it is added twice a year to the June and the December figures.

UNITED STATES.

The figures given in Table VI refer to deposits at the end of June in all National banks and in the reporting State banks, loan and trust companies, private banks, mutual savings banks and stock savings

banks. Whilst the data for the national banks are complete, these banks being obliged by law to report to the Comptroller of Currency, the records of some of the other groups — particularly of private banks — are incomplete. The grouping of the banks is also subject to modification owing to transfers of banks from one group to another and to the gradual improvement of the records furnished by some States.

The number of banks which sent their records to the Comptroller of Currency and the dates to which the figures given in Table VI refer, are as follows:

Date	National Banks	Other Banks	All Banks
June 4th, 1913	7,473	18,520	25,993
» 30th, 1914	7,525	19,240	26,765
» 23rd, 1915	7,605	19,457	27,062
» 30th, 1916	7,579	19,934	27,513
» 20th, 1917	7,604	20,319	27,923
» 29th, 1918	7,705	21,175	28,880
» 30th, 1919	7,785	21,388	29,173
» 30th, 1920	8,030	22,109	30,139
» 30th, 1921	8,154	22,658	30,812
» 30th, 1922	8,249	22,140	30,389
» 30th, 1923	8,241	21,937	30,178

The figures given in Table VI of the present memorandum have been grouped so as to correspond more closely than heretofore with the classification adopted at present by the Comptroller of Currency.

The following statement for June 30th, 1923, shows the way in which the various items have been grouped in Table VI and the detailed distribution of the deposits amongst the different groups of the banks:

Dollars (000,000's omitted).

	8,241 National Banks	18,043 State Banks	1,643 Loan and Trust Companies	604 Private Banks	618 Mutual Savings Banks	1,029 Stock Savings Banks	21,937 Banks other than National	Total for all the 30,178 Banks
Individual deposits subject to check	8,385	3,500	2,211	30	5	117	5,863	14,248
Certificates due in less than 30 days	264	244	116	23	—	4	387	651
Deposits subject to notice of less than 30 days	38							38
State and municipal deposits . .	468							468
Other demand deposits	98							98
Dividends unpaid	35	10	6	—	—	—	16	51
Total demand deposits	9,288	3,754	2,333	53	5	121	6,266	15,554
Time certificates of deposits . .	1,135	1,399	153	20	1	131	1,704	2,839
State and municipal deposits . .	68	—	—	—	—	—	—	68
Savings deposits	3,507	2,463	1,563	16	6,282	1,298	11,622	15,129
Total time deposits . .	4,710	3,862	1,716	36	6,283	1,429	13,326	18,036
Not classified	—	3,512	2,780	44	—	58	6,394	6,394
Certified checks outstanding . .	54	76	27	—	—	2	105	358
Cashier's checks outstanding . .	199							
Due to banks	2,410	446	744	1	1	9	1,201	3,611
Government postal savings . . .	45	2	3	—	—	—	5	50
Other Government deposits . . .	192	16	25	—	—	5	46	238
All deposit liabilities	16,898	11,668	7,628	134	6,289	1,624	27,343	44,241

The deposits of the United States Government on behalf of the Post Office savings banks which are entered in the official compilations under "time deposits", are excluded from Table VI on account of the duplication they involve with the figures of deposits effected by the public with the Post Office savings banks; but they are incorporated in the above statement.

As it is not possible to make a distinction between the amounts due to bankers at home and bankers abroad, the item "Due to banks" involves partly a duplication with the other items and has, therefore, been excluded from the percentage calculations in the various tables of the Introduction. Cashier's checks and certified checks have been entered under the heading "sight deposits".

The deposits given in Table VII refer to the member banks of the Federal Reserve System in certain leading cities and are for the last Wednesday of the month. The number of the reporting banks was 797 at the end of 1919; 821 at the end of 1920; 806 at the end of 1921; 783 at the end of 1922; 764 at the end of 1923; and 737 at the end of 1924.

The figures for deposits in Post Office savings banks given in Table VI refer to the same date as those for all the other banks, namely, to the end of June of each year.

URUGUAY.

The figures for deposits shown in Tables VI and VII are based on the statements prepared by the Ministry of Finance. They refer to the ordinary commercial banks and to the Banco de la República, which, although Government agent and sole bank of issue, is chiefly a commercial bank. Only private deposits of the latter are shown in Table VI, while in Table VII both official and private accounts have had to be given, sufficient details on the deposits during 1924 not being available. Deposits made by other banks with the clearing department have likewise been omitted from both of the tables.

The figures for the other banks given in Table VI and Table VII are averages for the month of December and averages of the months given respectively.

The National Savings Bank, for which figures are shown in Table VI, is under the management of the Banco de la República, but its accounts are quite separate from the accounts of the bank itself.

The Post Office savings deposits are not large and have been omitted. They amounted at the end of January 1924 to 277,000 pesos.

The differences between the figures for deposits in banks published in this *Memorandum* and the statements issued by the Ministry of Finance are due to the following reasons: (1) the official figures represent the averages of the months given in all cases; (2) the figures for deposits in the Banco de la República used in the official statements include all the deposits of the bank; (3) the deposits in the National Savings Bank are given in the official compilations together with the deposits in the Banco de la República.

VENEZUELA.

The figures refer to the four Venezuelan banks of issue: Banco de Venezuela, Banco de Caracas, Banco de Maracaibo, and Banco Comercial de Maracaibo. This last bank was established towards the end of 1917. It issues two balance sheets yearly, one at the end of March and the other at the end of September. The March and September figures have accordingly been added to the June and December figures of the other banks.

INDEX NUMBERS OF WHOLESALE PRICES

Notes to Table VIII.[1]

The last issue of the *Memorandum on Currency* (1913–1923) contained a systematic and uniform description of the various index numbers according to the following scheme: I. Price quotations; II. Base; III. Number of items; IV. Grouping of commodities; V. List of commodities; VI. Average and weighting; VII. Yearly index number.

As the notes given below constitute a very short summary of those statements, readers are referred to the *Memorandum* mentioned above for a more detailed description.[2]

In the index numbers reviewed, either (1) an arithmetic average or (2) a geometric average has been employed. In the case of the arithmetic average, the price for each individual commodity in a given period is first expressed as a percentage of its price during a period considered as base. Such percentages referring to one single commodity have been called in the notes which follow "price relatives". If the formula used for the arithmetic average be " simple ", the general index number is calculated by taking the sum of all individual price relatives (or of the group indices, as the case may be) and by dividing it by their number. If the formula adopted be " weighted ", each price relative is multiplied by a " weighting coefficient " and the sum of the products thus obtained is divided by the sum of the weighting coefficients.

The index number computed by means of the arithmetic average weighted by base year values, may be expressed in another form by means of the " aggregative " or the " aggregate expenditure " method. No price relatives are calculated, and the index number computed in this way indicates the changes in the money cost of given quantities of commodities at prices in a given period, as compared with their cost at prices in the base period. The index number computed by the simple aggregative method is obtained by taking the ratio between the sum of actual prices in a given period and the corresponding sum of the prices in the base period[3]. In the case of the " weighted " aggregative index number, coefficients representing physical quantities (*e.g.* tons, yards, kilogrammes, etc.) are applied to the respective actual prices. These physical quantites have been called in the notes " mass-units ".

The geometric average, which always gives lower results than the arithmetic, is the root of the product of the items to be averaged, the index of the root being equal to the number of the items. The index number computed in this way may be equally computed from price relatives or from the actual quotations. The " weighted " geometric average, *i.e.* average with special weighting coefficients, is used only exceptionally for the computation of index numbers. Such an index number represents the root of the product of the various items, each of which has been raised to the power of its weighting coefficients, the index of this root being equal to the sum of the weights.

The results of index numbers calculated by the same method will vary with the number and the selection of commodities. Any attempt to compare the number of commodities presents appreciable difficulties on account of the necessity of deciding arbitrarily whether a quotation refers to a distinct commodity or only to a distinct quality of some goods already included. A comparison of the number of price relatives requires to be made with equal care, as, if weighting coefficients are used, there will be a tendency to calculate a smaller number of price relatives than if a " simple " average is taken and several price relatives are calculated for various qualities of a commodity to replace weighting coefficients.

The number of quotations does not allow for any fair comparison either, because in some cases several quotations may be averaged, and one single price relative calculated from the average price, whilst in other cases there will be as many price relatives as there are quotations. In the first case, the aim is

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[1] Table VIII (Index Numbers of Wholesale Prices) is given in Vol. I.

[2] It is proposed, however, to republish shortly this chapter of the 1923 *Memorandum* separately.

[3] This formula appears to be used by *Bradstreet's* only. As a price always postulates a quantity, such a " simple" aggregative index number is actually weighted, although no weighting coefficients are applied. In point of fact, all index numbers are weighted whatever their formula may be. For instance, instead of applying a certain weighting coefficient x to a price relative, this price relative may be repeated x times and, although the algebraic formula is "simple", the result will be the same as if weighting coefficients had been employed. It is, therefore, preferable to distinguish between index numbers which are weighted purposely and those which acquire an accidental weighting.

generally to get a price quotation as representative as possible, whereas the use of several quotations for calculating several price relatives is rather a problem of weighting.

In order to show the differences in the internal structure of the various index numbers, the notes given on the following pages contain a calculation of the " relative importance " of the various groups in the base period. As in the " unweighted " index numbers all commodities are given equal importance in the base period (generally 100), the " relative importance" of the various groups is measured by the respective number of price relatives calculated for each group. (Example: If the total number of price relatives be 50 and the number of relatives in a given group be 10, the relative importance of this group to the total will be 20 %). In the case of " weighted " index numbers, the " relative importance " will similarly be measured by the percentage which the sum of the weighting coefficients of a group is of the sum of all weighting coefficients. In the case of an aggregative index number, this relative importance is measured by the percentage which the " aggregate value " of a group is of the total " aggregate value " of all commodities. Although differences in the " relative importance " of the groups may in many cases account for the differences in the results of index numbers for the same country computed according to the same method, this "relative importance" should be examined simultaneously with the respective number of quotations or price relatives.

AUSTRALIA

MELBOURNE

(Commonwealth Bureau of Census and Statistics).

The index number is worked out from 92 quotations by means of the aggregative method, "mass-units" based on the consumption (*i.e.*, production plus imports minus exports) during the years 1906-1910 being applied to each quotation. The prices during the base period (1911) are taken as 1,000.

The number of quotations in each group is:

	Groups.	Number of quotations.	Relative importance %
I.	Metals and coal	14	13.2
II.	Jute, leather, etc.	10	16.9
III.	Agricultural produce	16	28.4
IV.	Dairy produce	9	9.1
V.	Groceries	21	14.5
VI.	Meat	5	11.7
VII.	Building materials	10	5.6
VIII.	Chemicals	7	0.6
	Total	92	100 %

The monthly figures may be considered to represent monthly averages. The yearly indices are calculated from the yearly average price of each article.

SYDNEY

(Bureau of Statistics of New South Wales).

The index number is worked out from 100 quotations by means of the aggregative method, "mass-units" based on the average annual consumption in the State during the years 1911-1913 being applied to each quotation. The prices during the base period (1911) are taken as 1,000.

The number of quotations in each group is:

	Groups.	Number of quotations.
I.	Agricultural produce	13
II.	Groceries	26
III.	Wool, cotton, leather, jute	9
IV.	Metals and coal	16
V.	Building materials	17
VI.	Meat	5
VII.	Dairy produce	8
VIII.	Chemicals	6
	Total	100

Yearly group indices are also calculated separately for: (*a*) Australian goods and (*b*) exported goods.

The monthly figures represent monthly averages. The yearly indices are calculated from the yearly average price of each article.

AUSTRIA

(Bundesamt für Statistik).

The general index number represents a weighted arithmetic average of 42 price relatives, the weighting co-efficients being based on quantities consumed in 1922 valued at prices in the first half of 1914.

The number of price relatives in each group and the relative importance of these groups during the base period (January to June 1914) are:

	Groups	Number of price relatives	Relative Importance %
I.	Food	22	69.1
II.	Industrial materials	20	30.9
	Total	42	100

The quotations refer to the 15th of each month. No yearly average index numbers are calculated.

BELGIUM

(Statistical Department of the Ministry of Industry and Labour).

The index number has no fixed base, the prices during the second half of each month being taken as base for each succeeding month ("chain system"); but an additional index number is published with prices in April 1914 as the fixed base.

The index represents a simple geometric average of about 130 price relatives, the number of quotations being over 200. The number of price relatives calculated for the fixed base index number is 128.

The choice of commodities has been based on the result of the census of trade and industry in 1910, on trade statistics and estimates by experts with a view of obtaining a rough weighting.

The number of price relatives in each group and the relative importance of these groups to the total are:

	Groups	Number of price relatives	Relative importance %
I.	Food	16	12.2
II.	Fuel	4	3.1
III.	Tar and tar products	3	2.3
IV.	Metals and metal products	15	11.4
V.	Petroleum and its products	7	5.3
VI.	Pottery	10	7.6
VII.	Glass industry	3	2.3
VIII.	Chemicals	12	9.2
IX.	Fertilisers, artificial	5	3.8
X.	Fats and oils	7	5.3
XI.	Textiles	21	16.0
XII.	Building materials	14	10.7
XIII.	Resinous products	2	1.5
XIV.	Hides and leather	9	6.9
XV.	Tobacco	1	0.8
XVI.	Paper	1	0.8
XVII.	Rubber	1	0 8
	Total	131	100 %

The monthly figures refer to the second half of each month. No yearly average index numbers are calculated.

BRITISH INDIA

Atkinson.

The index number represents the simple arithmetic average of 100 price relatives. The choice of commodities has been based on agricultural, financial and commercial statistics for the years 1893-1894, with a view to obtaining an accurate weighting according to the relative importance of the various goods during that period. In the case of rice, where fifteen prices are recorded, but thirty price relatives are calculated, each of the original fifteen price relatives is counted twice.

The number of price relatives in each group and the relative importance of these groups to the total during the base period (1873) are:

	Groups	Number of price relatives	Relative Importance %
I.	Articles of food	60	60
II.	Raw produce	29	29
III.	Manufactures	11	11
	Total	100	100%

The index number, which is computed yearly only, is calculated from the annual average prices of each article.

Department of Statistics.

The index number represents the simple arithmetic average of 39 price relatives, no account being taken of the relative importance of the commodities. The number of quotations used, which are partly retail prices, is, however, higher.

The number of price relatives in each group and the relative importance of these groups to the total during the base period (1873) are:

	Groups	Number of price relatives	Relative importance %
I.	Food and drink	12	30.8
II.	Textiles	11	28.2
III.	Metals and coal	5	12.8
IV.	Miscellaneous	11	28.2
	Total	39	100 %

Separate group indices are also calculated for 28 articles of export, 11 articles of import and for several sub-groups of the main group.

Only yearly figures are calculated. The basic average prices represent either the mean of two quotations, in January and in July, or, as in the case of the retail price quotations, averages of twenty-four fortnightly quotations.

BOMBAY

(Labour Office Secretariat).

The index number represents a simple arithmetic average of 44 price relatives. The compilers state that the choice of articles and the number of price relatives for each group or commodity has been based on a study of trade statistics with a view to obtaining a rough weighting.

The number of price relatives in each group and the relative importance of the various groups during the base period (July 1914) are:

Groups	Number of price relatives		Relative importance %
I. Foods	15		34.1
(*a*) Cereals	7	15.9	
(*b*) Pulses	2	4.6	
(*c*) Sugar	3	6.8	
(*d*) Other food	3	6.8	
II. Non-Foods	29		65.9
(*a*) Oilseeds	4	9.1	
(*b*) Raw cotton	5	11.4	
(*c*) Cotton manufactures	6	13.6	
(*d*) Other textiles	2	4.5	
(*e*) Hides and skins	3	6.8	
(*f*) Metals	5	11.4	
(*g*) Other raw and manufactured articles	4	9.1	
Total	44		100 %

The quotations used for the monthly figures refer to the last week of each month. The yearly averages represent the simple arithmetic average of the monthly indices.

CALCUTTA

(Department of Statistics, Commercial Intelligence Department).

The index number represents the simple arithmetic average of 75 price relatives.

The number of price relatives in each group and the relative importance of these groups to the total during the base period (end of July 1914) are:

Groups	Number of price relatives	Relative importance %
I. Cereals	8	10.7
II. Pulses	6	8.0
III. Sugar	5	6.7
IV. Tea	3	4.0
V. Other food articles	10	13.3
VI. Oilseeds	3	4.0
VII. Oil, Mustard	2	2.7
VIII. Jute, Raw	5	6.7
IX. Jute manufactures	4	5.3
X. Cotton, Raw	2	2.7
XI. Cotton manufactures	7	9.3
XII. Wool and silk	2	2.7
XIII. Hides and skins	3	4.0
XIV. Metals	6	8.0
XV. Other raw and manufactured articles	8	10.6
XVI. Building materials	1	1.3
Total	75	100 %

The monthly figures refer to the end of each month. The yearly average index numbers represent the simple arithmetic average of the monthly indices.

KARACHI

(Bombay Labour Office Secretariat).

The index number represents a simple arithmetic average of 28 price relatives.

The number of price relatives in each group and the relative importance of these groups to the total during the base period (1914) are:

Groups	Number of price relatives		Relative importance %
I. Foods	11		39.3
(*a*) Cereals	7	25.0	
(*b*) Pulses	1	3.6	
(*c*) Sugar	2	7.1	
(*d*) Other food	1	3.6	
II. Non-Foods	17		60.7
(*a*) Oilseeds	3	10.7	
(*b*) Textiles	6	21.5	
(*c*) Hides	2	7.1	
(*d*) Metals	3	10.7	
(*e*) Other raw and manufactured articles	3	10.7	
Total	28		100 %

The monthly figures refer to the end of each month. The yearly averages represent the simple arithmetic average of the monthly indices.

CANADA

Bank of Commerce.

The index number represents a simple arithmetic average. The number of price relatives in each group and the relative importance of these groups during the base period (1909-1913) are:

Groups	Number of price relatives	Relative importance %
I. Mainly exports	24	50
II. Mainly imports	24	50
Total	48	100%

The monthly figures refer to the 15th of each month. No yearly index numbers are calculated.

Department of Labour.

The index number represents a simple arithmetic average of 271 price relatives.

The number of price relatives in each group and the relative importance of these groups to the total during the base period (1890-1899) are:

	Groups	Number of price relatives	Relative importance %
I.	Grain and fodder	15	5.5
II.	Animals and meat	17	6.2
III.	Dairy products	9	3.3
IV.	Fish	9	3.3
V.	(*a*) Fruits and vegetables	25	9.2
	(*b*) Miscellaneous foods	25	9.2
VI.	Textiles	20	7.4
VII.	Hides, leather, boots	11	4.1
VIII.	(*a*) Iron and steel	11	4.1
	(*b*) Other metals	12	4.4
	(*c*) Implements	10	3.7
IX.	Fuel and lighting	10	3.7
X.	Building material:		
	(*a*) Lumber	14	5.2
	(*b*) Miscellaneous	20	7.4
	(*c*) Paints, oils, glass	14	5.2
XI.	House furnishings	16	5.9
XII.	Drugs and chemicals	16	5.9
XIII.	Miscellaneous:		
	(*a*) Raw furs	4	1.5
	(*b*) Liquors and tobacco	6	2.2
	(*c*) Sundries	7	2.6
	Total	271	100 %

The monthly figures represent monthly averages. The yearly index numbers are calculated from the yearly average prices.

Dominion Bureau of Statistics.

The index number is worked out from 238 quotations by means of the aggregative method, "mass-units" being applied to each quotation in order to give to each commodity the appropriate relative importance within the group, and weighting co-efficients being applied to the group aggregates in order to give to each group the appropriate relative importance which it should have according to the estimates made of the quantities actually marketed in 1913. In order to avoid duplication, the quantities established for some of the raw materials were reduced by the amount entering into domestic manufacture.

The number of quotations in each group and the relative importance of the final group aggregates during the base period (1913) are:

	Groups	Number of quotations	Relative importance %
I.	Vegetable products	67	18.4
II.	Animals and their products	50	9.9
III.	Fibre, textiles, etc.	28	18.8
IV.	Wood and wood products	21	5.4
V.	Iron and its products	26	20.4
VI.	Non-ferrous metals	15	5.6
VII.	Non-metallic minerals	17	3.6
VIII.	Chemicals	14	17.9
	Total	238	100 %

Other group indices are calculated according to the purpose for which the goods are used: I. Consumers' goods; II. Producers' goods, and according to their origin (farm, marine, forest and mineral origin).

The monthly figures may be considered to represent monthly averages. The yearly index numbers are calculated from the yearly average prices.

Federal Reserve Board.

Compiled by the United States Federal Reserve Board as one of the "International Index Numbers"[1].

The index number is worked out from 101 quotations by means of the aggregative method, "mass-units" based on production and imports in 1913 being attributed to each quotation.

The number of quotations in each group and the relative importance of the group aggregates during the base period (1913) are:

According to Stage of Manufacture:

	Groups	Number of quotations	Relative importance %
A.	Raw materials	34	53
B.	Producers' goods	29	12
C.	Consumers' goods	38	35
	Total	101	100%

For the complete classification, see Federal Reserve Board's index number for the U.S.A.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly index numbers.

Professor H. Michell.

The index number represents the simple arithmetic average of 40 price relatives.

The number of price relatives in each group and the relative importance of the various groups during the base period (1900-1909) are:

	Groups	Number of price relatives	Relative importance %
I.	Foodstuffs	20	50
II.	Manufacturers' commodities	20	50
	Total	40	100%

The monthly figures refer to the end of the month. No yearly index numbers are calculated. The compiler states that the aim of his index number is to reflect sensitively the trend of trade and industrial conditions.

[1] A general statement concerning these "International Index Numbers" precedes the note on the Federal Reserve Board's Index for the U.S.A.

CHINA

(Treasury Department's Bureau of Markets, Shanghai).

The general index number is calculated by taking the simple arithmetic average of the five group indices, the index number of the fifth group being obtained in a similar way from the indices of its constituent sub-groups. The indices of the other groups, as well as those of the sub-groups, are obtained by taking the arithmetic average of the corresponding price relatives. A rough weighting has been attempted by calculating several price relatives for some of the more important commodities and by computing the general index in the manner described above. The system adopted does not, however, pretend to be based on a strictly scientific investigation.

The number of price relatives in each group and the relative importance of these groups during the base period (February 1913) are:

Groups	Number of price relatives		Relative importance %
I. Cereals	14		9.5
II. Other food products	26		17.7
III. Textiles	27		18.4
IV. Metals	11		7.5
V. Miscellaneous	69		46.9
(*a*) Fuel	12	8.2	
(*b*) Building materials	14	9.5	
(*c*) Industrial materials	21	14.3	
(*d*) Sundries	22	14.9	
Total	147		100 %

The monthly figures refer to the last Wednesday of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

CZECHOSLOVAKIA

"Narodni Listy."

The index number represents the simple arithmetic average of 74 price relatives. The number of quotations used is 81. The compiler states that statistics of foreign trade and consumption were used for determining the choice of commodities and the number of price relatives.

The number of price relatives in each group and the relative importance of the various groups during the base period (July 1914) are:

Groups	Number of price relatives	Relative importance %
I. Agricultural produce and food	24	32.5
II. Textiles and hides	12	16.2
III. Coal and metals	16	21.6
IV. Various industrial goods	22	29.7
Total	74	100 %

The monthly figures may be considered to represent monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

Statistical Department.

The index number, which has been slightly revised since the last issue of the *Memorandum*. represents the simple arithmetic average of 69 main price relatives, which are themselves often composed of several relatives for different qualities, combined by means of either a simple or a weighted arithmetic average. The number of quotations used is 135. The list of commodities has been established after an exhaustive enquiry and is supposed to reflect to some extent the respective "economic importance" of the commodities.

The number of price relatives in each group and the relative importance of the various groups during the base period (July 1st to 25th, 1914) are:

Groups	Number of price relatives		Relative importance %
I. Food	36		52.2
(*a*) Vegetable	12	17.4	
(*b*) Animal	9	13.0	
(*c*) Other	15	21.8	
II. Raw and industrial products	33		47.8
(*a*) Metals and minerals	10	14.5	
(*b*) Textiles	7	10.1	
(*c*) Other	16	23.2	
Total	69		100 %

The monthly figures refer to the beginning of each month. The yearly index numbers are calculated from yearly average prices.

DENMARK

"Finanstidende."

The index number represents a weighted arithmetic average of 33 price relatives, weighting co-efficients based on trade statistics being attributed to each relative.

The number of price relatives in each group and the relative importance of the various groups during the base period (July 1st, 1912, to June 30th, 1914) are:

Groups	Number of price relatives	Relative importance %
I. Food	10	38.5
II. Industrial material and fodder	23	61.5
Total . . .	33	100 %

The monthly figures refer to the beginning of each month. No yearly average index numbers are calculated.

Department of Statistics.

The index number represents a weighted arithmetic average of 38 price relatives, weighting co-efficients based on the relative importance of the commodities in the foreign trade being applied to each price relative. (These co-efficients are either 1, 2 or 3.) The quotations used represent mainly import and export values.

The commodities are not divided into groups. The articles of food have 15 price relatives out of 38 and their relative importance is 39.5 per cent of the total.

The index number, which is compiled annually only, is calculated from yearly average prices.

DUTCH EAST INDIES

(Statistical Department of the Ministry of Agriculture, Industry and Trade).

The index number, which has been revised since the last issue of the *Memorandum*, represents the simple arithmetic average of 67 price relatives based on quotations in two cities.

The number of price relatives in each group and the relative importance of the various groups during the base period (1913) are:

Groups	Number of price relatives		Relative importance %
I. Import articles	51		76.1
(*a*) Foodstuffs	9	13.5	
(*b*) Textiles.	18	26.9	
(*c*) Metals	8	11.9	
(*d*) Chemicals	8	11.9	
(*e*) Miscellaneous . . .	8	11.9	
II. Export articles	16		23.9
Total . . .	67		100 %

The monthly figures may be considered as representing monthly averages. The yearly index numbers are calculated from yearly average prices

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EGYPT

(Statistical Department of the Ministry of Finance.)

The two index numbers for Cairo and Alexandria are compiled in a similar way, the list of quotations recorded in Alexandria being, however, sometimes incomplete.

The index numbers represent the simple geometric average of 26 price relatives, which refer mainly to food and fodder (19 price relatives). No group indices are calculated. The monthly figures are monthly averages. The yearly index numbers represent the geometric average of the 26 yearly price relatives.

ESTHONIA

("Revaler Bote").

The index number represents the simple arithmetic average of 37 price relatives. All prices in Esthonian marks are reduced to gold "kroons" (100 Esthonian marks equalling 1 kroon[1]) and expressed as percentages of average prices in roubles in the base period (August 1913-July 1914) recalculated in terms of Swedish kronor.

It was intended to maintain the Esthonian mark at this exchange rate. But, in point of fact, the exchange has not been so maintained and, as a result, the index is based on a currency in which prices are not quoted and which is not in circulation.

[1] See page 47.

The number of price relatives in each group and the relative importance of these groups to the total are:

	Groups	Number of price relatives	Relative importance %
I.	Agricultural products	10	25
II.	Foods and colonial goods	6	25
III.	Metals, oils, fuel	12	25
IV.	Manufactured goods	9	25
	Total	37	100%

The monthly indices represent monthly averages. No yearly average index numbers are calculated

FINLAND

(Central Statistical Office).

The index number represents the simple geometric average of 135 price relatives. The choice of the commodities and the number of price relatives have been determined by the value of imports plus production in 1913. An endeavour to represent adequately the various stages of manufacture has been made by including products in the last stage of manufacture.

The number of price relatives in each group and the relative importance of the various groups in the base period (1913) are:

	Groups	Number of price relatives	Relative importance %
I.	Food, Animal	17	12.6
II.	Food, Vegetable	24	17.7
III.	Leather and its products	7	5.2
IV.	Wood and its products	26	19.3
V.	Paper	9	6.7
VI.	Textiles	12	8.9
VII.	Iron and iron products	14	10.4
VIII.	Miscellaneous	26	19.2
	Total	135	100 %

Additional indices are calculated for (*a*) goods produced and consumed at home, (*b*) goods imported, and (*c*) goods exported.

The monthly figures may be considered as representing monthly averages. The yearly index numbers represent the simple geometric average of the monthly indices.

FRANCE (ALSACE, LORRAINE)

(Office de Statistique d'Alsace et de Lorraine).

The index number represents the simple arithmetic average of 55 price relatives.

The number of price relatives in each group and the relative importance of the various groups during the base period (July 1914) are:

Groups	Number of price relatives		Relative importance %
I. Food	23		41.8
(*a*) Cereals	4	7.3	
(*b*) Other food	19	34.5	
II. Industrial materials	32		58.2
Total	55		100 %

The monthly figures refer to the first of each month. No average yearly index numbers are calculated.

FRANCE

"Bulletin Quotidien."

The index number represents the simple arithmetic average of two group indices. The latter are obtained by taking a weighted arithmetic average of the corresponding price relatives, weighting coefficients based on consumption over a period of 24 months in the years 1921-1923 being applied to each price relative. The ratio of the total value of agricultural commodities to the total value of industrial commodities quoted is approximately as 5 is to 3. As, however, the compilers presume that agriculture and industry in France are actually of nearly equal importance, the two groups were given equal weights when calculating the general index number.

The number of price relatives in each group and the relative importance of the various groups during the base period (1913) are:

Groups	Number of price relatives	Relative importance %
I. Agricultural products . .	16	50
II. Industrial products . . .	24	50
	40	100%

The monthly figures refer to the beginning of each month. No yearly index numbers are calculated.

Federal Reserve Board.

Compiled by the United States Federal Reserve Board as one of the "International Index Numbers" [1].

The index number is worked out from 98 quotations by means of the aggregative method. "mass units" based on the production and imports in 1913 being attributed to each quotation.

The number of quotations in each group and the relative importance of the group aggregates in the base year (1913) are:

According to stage of manufacture:

Groups	Number of quotations	Relative importance %
A. Raw materials	39	44
B. Producers' goods	36	22
C. Consumers' goods	23	34
Total	98	100%

For the complete classification, see Federal Reserve Board's index number for U.S.A.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

Statistical Department (Statistique générale de la France).

The index number represents the simple arithmetic average of 45 price relatives. The list of articles used in Sauerbeck's Index Numbers was taken as a model in the choice of commodities for this index.

The number of price relatives in each group and the relative importance of the various groups during the base period (1901-1910) are:

Groups	Number of price relatives		Relative importance %
I. Food	20		44.4
(*a*) Cereals and vegetable food. . . .	8	17.8	
(*b*) Meat and animal food	8	17.8	
(*c*) Other	4	8.8	
II. Industrial materials	25		55.6
(*a*) Minerals and metals	7	15.6	
(*b*) Textiles.	6	13.3	
(*c*) Miscellaneous . . .	12	26.7	
Total	45		100 %

The monthly figures refer to the end of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

[1] A general statement concerning these "International Index Numbers" precedes the note on the Federal Reserve Board's Index for the U.S.A.

GERMANY

"Berliner Tageblatt."

The index number is the simple arithmetic average of 108 price relatives. An endeavour has been made to represent fairly the various stages of production by including products in the last stage of manufacture, like trucks, steam engines, motorcars, etc. The choice of commodities does not, however, pretend to reflect exactly the relative economic importance of the various commodities.

The number of price relatives in each group and the relative importance of the various groups during the base period (average of December 1913, February and June 1914) are:

	Groups	Number of price relatives	Relative importance %
I.	Food, fodder, etc.	25	23.2
II.	Textiles, hides, leather . .	22	20.3
III.	Coal, iron, other metals . .	16	14.8
IV.	Chemicals, fertilisers. . . .	9	8.3
V.	Timber, building materials .	7	6.5
VI.	Industrial manufactured goods	22	20.4
VII.	Miscellaneous	7	6.5
	Total	108	100 %

The monthly figures are obtained by taking the simple arithmetic average of weekly indices. No yearly average index numbers are calculated.

"Frankfurter Zeitung."

Since 1924 the index number is the simple arithmetic average of 100 price relatives. An endeavour has been made to represent fairly the various stages of production by including products in the last stage of manufacture, like motors, motor-cars, bicycles, etc. The choice of commodities does not, however, pretend to reflect exactly the relative economic importance of the various commodities.

The number of price relatives in each group and the relative importance of the various groups during the base period (July 1914) are:

	Groups	Number of price relatives	Relative importance %
I.	Food, etc.	28	28
II.	Textiles and leather . . .	13	13
III.	Minerals	18	18
IV.	Miscellaneous	18	18
V.	Finished industrial goods .	23	23
	Total	100	100 %

Separate indices are calculated for : (a) imported articles (10 price relatives) and articles produced (10 price relatives), and (b) consumption goods (30) and capital goods (10).

The monthly figures refer to the beginning of each month. No yearly average index numbers are calculated.

"Industrie- und Handelszeitung."

The index number represents the simple arithmetic average of 44 price relatives. The list of commodities, which has been established after a tudy of production and trade statistics before and after the war, does not pretend to reflect exactly the relative economic importance of the various commodities. It does not, moreover, contain products in the last stage of manufacture like the two preceding index numbers.

The number of price relatives in each group and the relative importance of the various groups in the base period (last quarter of 1913) are:

	Groups	Number of price relatives	Relative importance %
I.	Coal, metals, etc.	19	43.2
II.	Textiles	4	9.1
III.	Hides, skins, leather . . .	4	9.1
IV.	Cereals, flour, potatoes, fertilisers	8	18.2
V.	Meat, fish, fats, sugar . .	9	20.4
	Total	44	100 %

The monthly figures are monthly averages. No yearly index numbers are calculated.

Statistical Department.

The general index number represents a weighted arithmetic average of seven group indices, weighting co-efficients based on the consumption in the years 1908-1912 being attributed to the various group indices. The latter are arrived at by taking the simple arithmetic average of the corresponding price relatives. The number of relatives in each group has been established according to the relative "economic importance" of the various commodities.

The number of price relatives in each group and the relative importance of the various groups in the base year (1913) are:

	Groups	Number of price relatives	Weighting co-efficients	Relative importance %
I.	Agricultural products	5	30	45.5
II.	Meat, fish, etc. . .	8	10	15.2
III.	Groceries and spices	5	3	4.5
IV.	Hides and leather.	4	1	1.5
V.	Textiles	6	4	6.1
VI.	Non-ferrous metals and petroleum .	7	3	4.5
VII.	Iron and coal . .	3	15	22.7
	Total . . .	38		100 %

Other group indices are calculated for (a) Food products and industrial products; (b) Goods produced and goods imported.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

HUNGARY

Computed since July 1924 by the Hungarian Central Statistical Office; published in the *Revue hongroise de Statistique.*

The index number represents the simple arithmetic average of 52 price relatives. Owing to lack of sufficient statistical data, no account has been taken of the relative importance of the various commodities. Whereas most of the commodities are represented by one price relative only, three price relatives are calculated for wheat flour.

The number of price relatives of the various groups of commodities and their relative importance during the base period (1913) are:

	Groups	Number of price relatives	Relative importance %
I.	Food	23	44.4
II.	Minerals	10	19.2
III.	Textiles, leather, paper	12	23.0
IV.	Miscellaneous	7	13.4
	Total	52	100 %

Separate group indices are calculated for raw materials, manufactured goods, national goods and imported goods.

The monthly figures refer to the last day of each month. No yearly index numbers are calculated.

ITALY

Professor R. Bachi.

Two different indices are compiled by Professor Bachi, one by taking a weighted arithmetic average of 120 price relatives, and another by taking a similarly weighted geometric average. The weighting system does not pretend to be based on more than a rough estimate of the relative importance of the various articles.

The arithmetic index number is based on the average prices for the previous year ("chain system"). The figures thus worked out are not published but shifted directly on to the year 1920 as base and also to the period 1901 to 1905, to the year 1913 and the month of July 1914.

The number of price relatives in the various groups of the arithmetic series and the relative importance of the groups in the period taken as base (preceding year) are:

	Groups	Number of price relatives	Relative importance %
I.	Food, Vegetable	25	23.8
II.	Food, Animal	17	14.1
III.	Chemical products	13	10.1
IV.	Textiles	15	11.7
V.	Minerals and metals	20	15.7
VI.	Building materials	8	6.1
VII.	Various vegetable products	8	5.2
VIII.	Industrial materials	14	13.3
	Total	120	100 %

The geometric series is based on the year 1921. It is subdivided into goods produced, goods imported, goods exported.

All monthly figures refer to the end of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

Note : In order to make the two series more comparable, the figures of the arithmetic series given in Table VIII have been shifted, in accordance with Professor Bachi's system, on to the 1921 base.

Chamber of Commerce of Milan.

The index number represents the simple geometric average of 125 price relatives. Some rough weighting is obtained by calculating more than one price relative for the important commodities.

The number of price relatives in each group and the relative importance of the various groups during the base period (1913) are:

	Groups	Number of price relatives	Relative importance %
I.	Food, Vegetable	21	16.8
II.	Food, Animal	16	12.8
III.	Textiles	18	14.4
IV.	Chemicals	20	16.0
V.	Minerals and metals	23	18.4
VI.	Building materials	8	6.4
VII.	Various articles of vegetable origin	7	5.6
VIII.	Industrial products	12	9.6
	Total	125	100 %

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

In July 1924, new commodities were substituted for several commodities quoted before. The figures up to May are calculated on the old list, those for June and following months on the new list. The figure for June on the old list would have been 538.8.

JAPAN

"Asahi Shimbon."

The index number appears to represent the simple arithmetic average of 50 price relatives based on prices in Osaka, 15 of which refer to food, 12 to textiles, 11 to building materials and 12 to other groups. No group indices are calculated.

The monthly figures are monthly averages. No yearly index numbers appear to be calculated.

Bank of Japan.

The index number represents the simple arithmetic average of 56 price relatives based on prices in Tokio.

The number of price relatives in each group and the relative importance of the various groups during the base period (October 1900) are:

Groups	Number of price relatives	Relative importance %
I. Food	15	26.8
II. Textiles	14	25.0
III. Building materials	10	17.9
IV. Fuel	5	8.9
V. Fertilisers	3	5.3
VI. Miscellaneous	9	16.1
Total	56	100 %

The monthly figures are monthly averages; the yearly index numbers represent the simple arithmetic average of the monthly indices.

Federal Reserve Board.

Compiled by the United States Federal Reserve Board as one of the "International Index Numbers" [1].

The index number is worked out from 90 quotations by means of the aggregative method, "mass-units" based on the production and imports in 1913 being attributed to each quotation.

The number of quotations in each group and the relative importance of the group aggregates in the base year (1913) are:

According to stage of manufacture:

Groups	Number of quotations	Relative importance %
A. Raw materials	18	29
B. Producers' goods	35	19
C. Consumers' goods	37	52
Total	90	100%

For the detailed classification, see Federal Reserve Board's index number for U.S.A.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

"Oriental Economist."

The general index number represents the simple arithmetic average of five group indices.

The number of price relatives in each group and the relative importance of these groups during the base period (end of January 1913) are:

Groups	Number of price relatives	Relative importance %
I. Cereals	6	6.4
II. Other food products	19	20.4
III. Textiles	29	31.2
IV. Minerals and metals	10	10.8
V. Miscellaneous	29	31.2
(*a*) Fuel		
(*b*) Building materials		
(*c*) Industrial materials		
(*d*) Fertilisers		
Total	93	100 %

It is not stated on what dates the quotations are collected. No yearly index numbers are calculated.

[1] A general statement concerning these "International Index Numbers" precedes the note on the Federal Reserve Board's Index for the U.S.A.

NETHERLANDS

(Dutch Central Statistical Office).

The index number represents the simple arithmetic average of 48 price relatives, 28 of which refer to food and fodder. Owing to lack of sufficient data concerning consumption, no account has been taken of the relative importance of the various commodities.

No group indices are calculated except for food.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

NEW ZEALAND

(Census and Statistics Office, Wellington).

The general index number is worked out from 106 quotations by means of the aggregative method, "mass units" based on the quantities sold for local consumption during the years 1909-1913 being attributed to each quotation. The prices during the base period (1909-1913) are taken as 1,000.

The following statement shows: (1) the eight groups into which the commodities are divided, (2) the number of quotations used for the calculation of the group indices, (3) the number in each group used for the compilation of the general index number, and (4) the relative importance of the various groups to the total during the year 1913.

		Number of quotations: Groups	General index number	Relative importance %
I.	Agricultural produce	16	8	12.4
II.	Flour, bran, etc.	4	4	7.3
III.	Wool, hides, tallow, etc.	14	8	9.8
IV.	Gen. merchandise & crockery	44	41	23.5
V.	Building materials	31	23	27.5
VI.	Leather and calico	7	7	2.0
VII.	Chemicals and manure	21	12	3.9
VIII.	Coal	4	3	13.6
	Total	141	106	100%

The monthly figures may be considered as representing monthly averages. The yearly index numbers are computed from yearly average prices.

NORWAY

"Farmand."

The index number represents the simple arithmetic average of 40 price relatives.

The number of price relatives in each group and the relative importance of these groups in the year used as original base are given below. (It would appear that the calculations are made on the 1891 base and that the index is then shifted on to the 1913 base.)

Groups	Number of price relatives		Relative importance %	
I. Raw materials		20		50
(*a*) Textiles	3		7.5	
(*b*) Iron and other metals	4		10.0	
(*c*) Fuels and oils	4		10.0	
(*d*) Wood and wood pulp.	5		12.5	
(*e*) Miscellaneous raw materials	4		10.0	
II. Food		20		50
(*a*) Meat and fats	3		7.5	
(*b*) Cereals and flour	5		12.5	
(*c*) Groceries	3		7.5	
(*d*) Fish	4		10.0	
(*e*) Various household articles	5		12.5	
Total		40		100%

The monthly figures refer to the end of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

"Økonomisk Revue."

The index number represents the simple arithmetic average of 70 price relatives. The number of quotations used, which all refer to Oslo (Christiania), is 90.

The number of price relatives in each group and the relative importance of the various groups during the base period (end of December 1913 to end of June 1914) are:

Groups	Number of price relatives	Relative importance %
I. Animal foodstuffs	6	8.6
II. Vegetable foodstuffs and salt	8	11.4
III. Fodder and artificial manure	6	8.6
IV. Coal and coke	2	2.9
V. Petrol and benzine	2	2.9
VI. Iron	4	5.7
VII. Other metals	8	11.4
VIII. Hides and leather	3	4.3
IX. Timber for pulp	3	4.3
X. Building materials	11	15.7
XI. Textiles	12	17.1
XII. Paper	5	7.1
Total	70	100%

The monthly figures refer to the end of each month. No yearly index numbers are calculated.

Statistical Department.

The index number is worked out from 174 quotations by means of the aggregative method, "mass units" based on the inland trade in 1916 being attributed to each quotation. The quantities had frequently to be estimated, no detailed statistics being available.

The number of quotations in each group and the relative importance of the group aggregates during the base period (1913) are:

Groups	Number of quotations	Relative importance %
I. Food, Vegetable	14	14.3
II. Food, Animal	28	29.6
III. Fodder and manure	12	6.0
IV. Fuel and oils	16	12.7
V. Metals	16	5.0
VI. Bricks, cement, glass	5	1.5
VII. Timber	19	4.7
VIII. Pulp and paper	8	2.1
IX. Textiles	34	15.8
X. Leather and leather goods	13	6.3
XI. Miscellaneous	9	2.0
Total	174	100 %

The monthly figures refer to the 15th of each month. No yearly index numbers are calculated.

PALESTINE

(Department of Customs and Trade).

The general index number represents the simple geometric average of four index numbers referring to four cities. Each of these four index numbers is the simple geometric average of three group indices which are themselves calculated in the same way from the corresponding price relatives.

The purpose of the compiling institution was to give equal importance to all commodities. Some of the commodities which are represented by more than one price relative have, however, a greater influence than others.

The number of price relatives in each group and the relative importance of these groups in the base period (corresponding month of 1922) are:

Groups	Number of price relatives	Relative importance %
I. Grain and meat	13	22.4
II. Other food and fruits . . .	34	58.6
III. Fuel and miscellaneous . .	11	19.0
Total	58	100 %

The monthly figures are monthly averages. The yearly index numbers represent the simple geometric average of the monthly indices.

PERU

(Central Bureau of Statistics).

The general index number represents the simple arithmetic average of 58 price relatives. The list of commodities has been established on the assumption that food represents about the same proportion in the trade turnover as industrial goods.

The number of price relatives in each group and the relative importance of these groups to the total during the base period (1913) are:

Groups	Number of price relatives	Relative importance %
I. Food, Animal	10	17
II. Food, Vegetable	10	17
III. Other and drinks	8	14
Total food .	28	48%
IV. Fuel	5	9
V. Building materials	6	10
VI. Textiles	5	9
VII. Metals	7	12
VIII. Miscellaneous	7	12
Total industrial products .	30	52%
Total	58	100 %

The monthly figures which are calculated back to January 1920 refer to the 15th of each month. No yearly average index numbers are calculated. For 1914 the figures are half-yearly and for the years 1915 to 1919 quarterly.

POLAND

(Central Statistical Office).

The index number represents the simple geometric average of 57 price relatives, no account being taken of the relative importance of the various commodities.

The number of price relatives in each group and the relative importance of the groups during the base period (July 1914) are:

Groups	Number of price relatives	Relative importance %
I. Food, Vegetable	7	12.3
II. Food, Animal	6	10.5
III. Groceries	4	7.0
IV. Hides and leather.	6	10.5
V. Textiles	8	14.0
VI. Metals and coal	11	19.3
VII. Building materials	7	12.3
VIII. Chemical and other products	8	14.1
Total	57	100 %

The monthly figures refer to the last week of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

RUSSIA

"Gosplan" (State Planning Commission).

The index number, which has been revised since the last issue of the *Memorandum*, represents the simple geometric average of two main sub-indices: (*a*) farm produce, (*b*) industrial products. Two systems of weighting are employed for the calculation of these sub-indices: (1) The various quotations for each commodity obtained from different markets (generally 62) are weighted according to the relative economic importance of these markets. The weights are determined after taking into consideration the results of the Census of Trade and Industry in 1923, the number of undertakings or employees, the population and the turnover on produce exchanges; (2) weights based on production and turnover are attributed to the average price relatives which are combined into the two main group indices by means of a geometric average.

The number of price relatives in the main groups and their relative importance in the base period are:

	Groups	Number of price relatives	Relative importance %
I.	Food	24	50
II.	Tobacco, matches, soap, etc.	4	6
III.	Raw textiles, leather and bristles	6	6
IV.	Fuel	5	9
V.	Metals and metal products	11	5
VI.	Textile products	7	14
VII.	Leather goods	2	5
VIII.	Chemicals	6	2
IX.	Building materials	4	3
	Total	69	100%

The group "Farm produce" referred to above consists of most of the food articles and of Group III; the group "Industrial products" consists of all the other commodities. The index number, which is compiled three times a month, is calculated by the "chain method", each preceding index being taken as the base for the next. The results are shifted afterwards on to the 1913 base. The average monthly index numbers are worked out from four indices by means of a weighted geometric average, the co-efficient 1 being attributed to the figures referring to the 1st of the month and to the 1st of the following month, and the co-efficient 3 to the two intermediary figures referring to the 11th and 21st of the month.

UNION OF SOUTH AFRICA

(Office of Census and Statistics, Pretoria).

The index number is worked out by means of the aggregative method, "mass-units" based on consumption during three years being attributed to each quotation. The weighting has been changed every year since 1921 in accordance with changes in consumption. Thus the index numbers for 1921 are weighted according to the consumption during 1917-1919, the index for 1922 according to the consumption during 1918-1920 and so on.

The groups of commodities and the number of quotations in each group are shown in the table below.

Owing to lack of data concerning the consumption of commodities contained in group X, this group would appear not to enter into the computation of the general index number. Special group indices are also calculated for South African and imported goods separately.

	Groups	Number of quotations
I.	Metals	18
II.	Jute, hides, leather, skins	20
III.	Grains, meal, etc.	23
IV.	Dairy produce	6
V.	Groceries	37
VI.	Meat	5
VII.	Building material	28
VIII.	Chemicals	15
IX.	Fuel and light	6
X.	Textiles	18
XI.	Miscellaneous	13
	Total	189

The monthly figures may be considered as representing roughly monthly averages.

The yearly index numbers represent the simple arithmetic average of the monthly indices.

SPAIN

(Geographical and Statistical Institute).

The index number represents the simple arithmetic average of 74 price relatives worked out from 107 quotations. The list of commodities is intended to take into account the relative importance of the commodities in consumption. Owing to the lack of complete statistics, however, it has been necessary to estimate this relative importance.

The number of price relatives in each group and the relative importance of the various groups in the base year (1913) are:

Groups	Number of price relatives		Relative importance %	
I. Foods		36		48.7
(*a*) Animal	11		14.9	
(*b*) Vegetable	16		21.6	
(*c*) Fish and other food articles	9		12.2	
II. Industrial materials		38		51.3
(*a*) Fuel	8		10.8	
(*b*) Textiles and leather	6		8.1	
(*c*) Metals	8		10.8	
(*d*) Building materials	8		10.8	
(*e*) Chemicals and miscellaneous	8		10.8	
Total		74		100 %

The monthly figures may be considered as referring to the middle of the month. The yearly index numbers are calculated from the yearly average prices.

SWEDEN

Kommerskollegium.

The index number is a weighted arithmetic average of 160 price relatives, weighting coefficients representing the relative value of the commodities in the domestic turnover in 1913 being attributed to each price relative.

The number of price relatives in each group and the relative importance of these groups during the base period (1913) was:

	Groups	Number of price relatives	Relative importance %
I.	Food, Vegetable	14	27.1
II.	Food, Animal	20	13.2
III.	Fodder	5	4.9
IV.	Fertilisers	5	2.5
V.	Fuel and lubricating oils	13	9.6
VI.	Metals and metal products	21	6.4
VII.	Lime, cement, bricks, tiles, glass	12	2.1
VIII.	Timber	6	4.4
IX.	Pulp and paper	9	2.3
X.	Textiles	27	16.9
XI.	Hides, leather, footwear	12	7.6
XII.	Rubber	4	0.5
XIII.	Chemicals	12	2.5
	Total	160	100 %

The monthly figures may be considered as representing monthly averages. The yearly index numbers are calculated by taking the simple arithmetic average of the monthly indices.

Professor G. W. Silverstolpe

(Svensk Handelstidning, Goteborg Handelstidning).

The index number represents a weighted arithmetic average of 45 price relatives, weighting coefficients based on relative consumption in 1913 being attributed to each price relative.

As the weights have neither been published nor communicated, it is not possible to estimate the relative importance of the various groups.

The number of price relatives in each group is:

	Groups	Number of price relatives
I.	Vegetable foodstuffs	6
II.	Animal foodstuffs	7
III.	Fertilisers, etc.	5
IV.	Coal and coke	2
V.	Fuel oils	2
VI.	Metals	5
VII.	Building materials	7
VIII.	Textiles	5
IX.	Hides and leather	4
X.	Wood pulp	2
	Total	45

The monthly figures may be considered as referring to the middle of each month. The yearly index numbers represent a simple arithmetic average of the monthly indices.

"Svenska Dagbladet."

This index number, which is computed on the same principles as the United States Federal Reserve Board's "International Price Indices", is worked out from 110 quotations by means of the aggregative method, "mass-units" based on the production and imports in 1913 being attributed to each quotation.

The number of quotations in each group is:

According to stage of manufacture:

Groups	Number of quotations
A. Raw materials	30
B. Producers' goods	44
C. Consumers' goods	36
Total	110

For the detailed classification see Federal Reserve Board's index number for U.S.A.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

SWITZERLAND

(Dr. J. Lorenz).

The computation of the general index number, for which a rather unusual weighting system is employed, is effected as follows: weighting co-efficients are attributed to most of the 71 price relatives for the calculation of indices of sub-groups. These indices are given other co-efficients for the calculation of indices of larger sub-groups and so on, until one index is formed for each of the three main groups. The general index number is calculated by taking a weighted average of these three groups. In all cases the averages employed, whether weighted or simple, are arithmetic.

Below are given the three main groups, the number of price relatives in each and the relative importance of these groups during the base period (July 1914):

Groups	Number of price relatives	Relative importance %
I. Articles of direct consumption	33	50.0
II. Articles of industrial production	26	33.3
III. Articles of agricultural production	12	16.7
Total	71	100 %

The monthly figures refer to the 1st of each month. No yearly average index numbers are calculated.

UNITED KINGDOM

Board of Trade.

The index number represents the simple geometric average of 150 price relatives. The weighting is effected by the choice of commodities and the number of price relatives and is based on domestic consumption according to the results of the census of production in 1907.

The index number is, in the first place, based on the prices during the corresponding month of the preceding year ("chain system"). The results are then shifted on to a 1913 base.

The following are the number of price relatives in each group and the relative importance of these groups during the original base period:

Groups	Number of price relatives		Relative importance %
Food	53		35.3
I. Grain	17	11.3	
II. Meat	17	11.3	
III. Other food	19	12.7	
Other than food	97		64.7
IV. Iron and steel	24	16.0	
V. Other metals and minerals	20	13.3	
VI. Cotton	16	10.7	
VII. Other textiles	15	10.0	
VIII. Miscellaneous	22	14.7	
Total	150		100 %

The monthly figures may be considered as representing monthly averages. The yearly index

numbers are calculated by taking the geometric average of the monthly indices.

"The Economist."

The index number represents the simple arithmetic average of 44 price relatives. The prices during the base period (1901-1905) are, however, taken as 2,200 (22 times 100, 22 being the original number of price relatives used). The number of price relatives in each group and the relative importance of these groups during the base period (1901-1905) are:

Groups	Number of price relatives	Relative importance %
I. Cereals and meat	10	22.7
II. Other food	6	13.7
III. Textiles	10	22.7
IV. Minerals	8	18.2
V. Miscellaneous	10	22.7
Total	44	100 %

The monthly figures refer to the last Friday of each month. No yearly averages are calculated.

"Financial Times."

The index number represents the simple geometric average of 73 price relatives. The index number is, in the first place, based on the average prices of the preceding year ("chain system"). The results are then shifted on to a 1913 base. The list of commodities, which is intended to secure adequate weighting, was established in part according to the weighting used in the preparation of the Board of Trade's index number.

The number of price relatives in each group and the relative importance of these groups during the original base period are:

Groups	Number of price relatives	Relative importance %
I. Cereals	7	9.6
II. Meat	8	11.0
III. Other food	8	11.0
Total food	23	31.6
IV. Cotton	8	11.0
V. Other textiles	9	12.3
VI. Iron and steel	12	16.4
VII. Other metals	5	6.8
VIII. Fuel	5	6.8
IX. Miscellaneous	11	15.1
Total other than food	50	68.4
Total	73	100 %

The monthly figures represent monthly averages. The yearly index numbers are obtained by taking the simple geometric average of the monthly indices.

Federal Reserve Board.

Compiled by the United States Federal Reserve Board as one of the "International Index Numbers" [1].

The index number is worked out from 98 price quotations by means of the aggregative method, "mass units" based on the production and imports in 1913 being attributed to each quotation.

The number of quotations in each group and the relative importance of the group aggregates in the base year (1913) are:

According to stage of manufacture:

Groups	Number of quotations	Relative importance %
A. Raw materials	39	43
B. Producers' goods	35	29
C. Consumers' goods	24	28
Total	98	100%

For the detailed classification, see Federal Reserve Board's index number for U.S.A.

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

"The Statist" (Sauerbeck's Index Number).

The index number is a simple arithmetic average of 45 price relatives.

The number of price relatives in each group and the relative importance of these groups during the base period (1867 to 1877) and during the year 1913 are:

Groups	Price relatives	Relative importance 1867-1877 %	Relative importance 1913 %
(*a*) Food:			
I. Vegetable foods	8	17.8	14.5
II. Animal food	7	15.5	18.1
III. Sugar, coffee and tea	4	8.9	5.6
	19	42.2	38.2
(*b*) Other than food:			
IV. Minerals	7	15.5	20.3
V. Textiles	8	17.8	17.5
VI. Sundry	11	24.5	24.0
	26	57.8	61.8
Total	45	100 %	100 %

The monthly figures refer to the end of each month. The price quotations used for calculating the yearly index numbers represent the arithmetic average of 52 weekly quotations.

[1] A general statement concerning these "International Index Numbers" precedes the note on the Federal Reserve Board's Index for the U.S.A.

"The Times" (Trade Supplement).

The index number is a simple arithmetic average of 60 price relatives. The list of commodities, which is based on the census of production in 1907, was established with a view to securing adequate weighting.

The number of price relatives in each group and the relative importance of these groups during the base period (1913) are:

	Groups	Number of price relatives	Relative importance %
I.	Cereals	7	11.7
II.	Meat and fish	6	10.0
III.	Other food	9	15.0
IV.	Iron and steel	8	13.3
V.	Other metals and minerals	9	15.0
VI.	Cotton	6	10.0
VII.	Other textiles	7	11.7
VIII.	Miscellaneous	8	13.3
	Total	60	100 %

The monthly figures refer to the end of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

UNITED STATES OF AMERICA

"Annalist."

The index number, which is compiled weekly, represents the simple arithmetic average of 25 price relatives referring to food articles only. According to the compiler, the index number is weighted by selection of the commodities. No group indices are calculated. The yearly index numbers represent the simple arithmetic average of the weekly indices.

Babson.

The index number, which has been slightly revised since the last issue of the *Memorandum*, represents the simple arithmetic average of 10 sub-indices. Most of these sub-indices are themselves the combined result of several price relatives. The total number of price relatives is 20. No group indices are calculated.

The number of price relatives for the various classes of commodities and the relative importance of these classes during the base period (1900-1909) are:

	Number of price relatives	Relative importance %
Hides and Leather	4	10
Print cloth	1	10
Paper	1	10
Coal	1	10
Iron and Steel	2	10
Petroleum	1	10
Wool	1	10
Rubber	1	10
Building material	4	10
Non-ferrous metals	4	10
Total	20	100%

Most of the quotations represent monthly averages. The yearly index numbers are the arithmetic averages of monthly indices.

The purpose of this index number is to reflect sensitively changes in business conditions.

"Bradstreets."

The index, which is expressed in terms of dollars and cents, is obtained by adding together the actual prices of one pound avoirdupois of 96 commodities. As no weighting based on the relative importance of the articles is used, it follows that the higher the actual price per pound of any commodity the greater will be the influence of a change in the price of this commodity on the general result.

The following are the groups of commodities and their relative importance in the year 1913:

	Groups	Relative importance %
I.	Breadstuffs	1.0
II.	Livestock	4.9
III.	Provisions and groceries	26.6
IV.	Fresh and dried fruits	2.1
V.	Hides and leather	14.6
VI.	Raw and manufactured textiles	27.8
VII.	Metals	7.3
VIII.	Coal and coke	0.1
IX.	Mineral and vegetable oils	3.8
X.	Naval stores	0.8
XI.	Building materials	0.9
XII.	Chemicals and drugs	6.3
XIII.	Miscellaneous	3.8
	Total	100 %

The monthly figures refer to the first of each month. The yearly index numbers represent the simple arithmetic average of the monthly indices.

Bureau of Labor Statistics.

The index number is worked out from 404 quotations by means of the aggregative method, "mass units" based on the value in exchange of the various commodities according to the results of the census in 1919 and to production and trade statistics being attributed to each quotation.

The number of quotations in each group and the relative importance of the group aggregates in 1913 to the total aggregate are:

	Groups	Number of quotations	Relative importance %
I.	Farm products	56	28.4
II.	Food	95	26.5
III.	Cloth and clothing	65	7.6
IV.	Fuel and lighting	20	11.3
V.	Metals and metal products	37	8.8
VI.	Building materials	32	5.2
VII.	Chemicals and drugs	43	1.9
VIII.	House-furnishing goods	31	2.7
IX.	Miscellaneous	25	7.6
	Total	404	100 %

The monthly figures represent monthly averages. The yearly index numbers are worked out from yearly average prices.

"Dun's Review."

The index represents the actual cost in dollars and cents of given quantities of about 300 commodities. According to the compilers, the "mass-units" are established on the estimated *per capita* consumption of the various commodities in a period of years "when business conditions were normal". The weighting system has remained unaltered since 1901. No further details are available regarding the weights used.

The groups of commodities and the relative importance of their aggregates in 1913 to the total aggregate are:

	Groups	Relative importance %
I.	Breadstuffs	17.6
II.	Meat	10.4
III.	Dairy and garden products	13.8
IV.	Other food	8.8
V.	Clothing	17.2
VI.	Metals	14.0
VII.	Miscellaneous	18.2
	Total	100 %

The monthly figures refer to the first of each month. No yearly average figures are calculated.

Federal Reserve Board.

In order to facilitate international comparisons of wholesale prices, the Federal Reserve Board started, in 1920, the computation of "International Price Indexes", published monthly in the *Federal Reserve Bulletin*.

The original idea was to give index numbers computed identically for the various countries.

In view, however, of the theoretical and practical objections to such strictly uniform index numbers, it was thought preferable to publish indices showing the general price level in each country, which, although computed according to the same method, would take into account the industrial characteristics of the countries concerned. In this connection the *Federal Reserve Bulletin* of May 1920 states:

> "This international index is not a single index of world prices, but a group of index numbers for different countries all constructed in the same fashion. The same base year, the same type of quotations and approximately the same number of commodities are being used in the case of each country. Many staple commodities will be included in all the indexes; in addition, the index of each country will include a certain number of commodities of special importance in its economic life."

The index number for the United States is worked out from 104 price quotations by means of the aggregate method, "mass-units" based on the production and imports in 1913 being attributed to each quotation. In applying "mass-units" to the prices, the commodities quoted have been taken as typical of their class and have frequently been allowed to represent other commodities in the same general group.

The following are the two classifications employed simultaneously, the number of quotations in each group and the relative importance of the group aggregates during the base period (1913):

	Groups	Number of quotations		Relative importance %
(*a*)	*According to stage of manufacture:*			
A.	Raw materials		40	44
B.	Producers' goods		31	19
C.	Consumers' goods		33	37
	Total		104	100%
(*b*)	*According to origin and purpose:*			
I.	Goods produced		85	
	(*a*) Raw materials	30		
	(*b*) Producers' goods	24		
	(*c*) Consumers' goods	31		
II.	Goods imported		19	
	(*a*) Raw materials	10		
	(*b*) Producers' goods	7		
	(*c*) Consumers' goods	2		
	Total		104	

An additional group — goods exported — is formed from price quotations already contained in the other two groups.

	Groups		Number of quotations
III.	Goods exported		39
	(*a*) Raw materials	17	
	(*b*) Producers' goods	11	
	(*c*) Consumers' goods	11	

The monthly figures are monthly averages. The yearly index numbers represent the simple arithmetic average of the monthly indices.

Professor Irving Fisher.

This weekly index number has been revised since the last issue of the *Memorandum*. The figures for 1924 are calculated by the revised method, which the figures for the preceding years have not been recalculated.

The figures for 1924 are calculated from 20 price quotations, "mass-units" representing quantities sold in 1919 (based on the figures used by the Bureau of Labor Statistics) being attributed to each quotation. In most cases these weights are rounded off to the geometrically nearest of the following numbers: 1000; 100; 10; 1; 0.1. The most important changes in the revised list of commodities consist in the addition of coal (both anthracite and bituminous) and cotton.

No group indices are calculated.

The relative importance of the aggregates of the various classes of commodities during 1924 was:

	Relative importance %
Food	45.9
Clothing and clothes	16.9
Paper, rubber, fibres	2.3
Metals	9.5
Fuels	15.9
Building materials	5.9
Chemicals	3.6
Total	100%

"Classweights" (*i.e.*, special weighting co-efficients applied to the group aggregates) are no longer used, except in the case of chemicals, for which each of the original "mass-units" is increased by 50 per cent.

The basic prices for the index for 1923 are those obtaining during the week ending November 17th, 1922. But the index number is shifted to 1913 as base by means of the index of the United States Bureau of Labor Statistics, which was 156 in November 1922. The figures for 1924 are based on the index number calculated for the week ending November 16th, 1923, which is 151.9.

The monthly and yearly index numbers represent the simple arithmetic average of the corresponding weekly indices.

Thomas Gibson.

This weekly index number, which refers to food only, may be considered as representing the actual cost of a given quantity of goods and is expressed in dollars and cents. An intermediary index number is first calculated by taking the simple arithmetic average of 22 price relatives based on the corresponding prices during the decade 1890-1899. The percentage thus obtained is applied to Dun's calculation of average cost in dollars or cents of foodstuffs during the same decade in order to get the cost in dollars and cents for the period given. The 22 commodities quoted are based, with a few exceptions, on the list used by Sauerbeck.

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